

1 UNITED STATES DISTRICT COURT  
2 FOR THE NORTHERN DISTRICT OF OHIO  
3 EASTERN DIVISION  
4

5 -----x  
6 IN RE: NATIONAL PRESCRIPTION ) Case No.  
7 OPIATE LITIGATION ) 1:17-MD-2804  
8 APPLIES TO ALL CASES ) Hon. Dan A. Polster  
9 -----x

10 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER  
11 CONFIDENTIALITY REVIEW  
12

VIDEOTAPED DEPOSITION OF BLAINE M. SNIDER  
13  
14 WASHINGTON, D.C.

THURSDAY, NOVEMBER 8, 2018  
15  
16 8:34 A.M.  
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21  
22  
23

24 Reported by: Leslie A. Todd

<p style="text-align: right;">Page 2</p> <p>1 Deposition of BLAINE M. SNIDER, held at the 2 offices of: 3 4 5 COVINGTON &amp; BURLING, LLP 6 One City Center 7 850 10th Street, N.W. 8 Washington, DC 20001-4956 9 10 11 12 13 Pursuant to notice, before Leslie Anne Todd, 14 Court Reporter and Notary Public in and for the 15 District of Columbia, who officiated in 16 administering the oath to the witness. 17 18 19 20 21 22 23 24</p>	<p style="text-align: right;">Page 4</p> <p>1 APPEARANCES (Continued): 2 3 ON BEHALF OF DEFENDANT CVS: 4 DANIEL P. MOYLAN, ESQUIRE 5 ZUCKERMAN SPAEDER, LLP 6 100 East Pratt Street, Suite 2440 7 Baltimore, Maryland 21202-1031 8 (410) 949-1159 9 10 ON BEHALF OF DEFENDANT WALMART: 11 SARAH G. CONWAY, ESQUIRE 12 JONES DAY 13 555 South Flower Street 14 Fiftieth Floor 15 Los Angeles, California 90071-2300 16 (213) 489-3939 17 18 ON BEHALF OF DEFENDANT HBC CO.: 19 SCOTT D. LIVINGSTON, ESQUIRE 20 MARCUS &amp; SHAPIRA, LLP 21 One Oxford Centre, 35th Floor 22 301 Grant Street 23 Pittsburgh, Pennsylvania 15219-6401 24 (412) 338-4690</p>
<p style="text-align: right;">Page 3</p> <p>1 A P P E A R A N C E S 2 3 ON BEHALF OF PLAINTIFFS: 4 BRANDON BOGLE, ESQUIRE 5 WESLEY BOWDEN, ESQUIRE 6 LEVIN PAPANTONIO THOMAS MITCHELL 7 RAFFERTY &amp; PROCTOR, PA 8 316 S. Baylen Street, Suite 600 9 Pensacola, Florida 32502 10 (850) 435-7043 11 12 ON BEHALF OF McKESSON CORPORATION: 13 KEVIN B. COLLINS, ESQUIRE 14 WEISS NUSRATY, ESQUIRE 15 COVINGTON &amp; BURLING, LLP 16 One CityCenter 17 850 Tenth Street, N.W. 18 Washington, D.C. 20001-4956 19 (202) 662-5598 20 21 22 23 24</p>	<p style="text-align: right;">Page 5</p> <p>1 APPEARANCES (Continued): 2 ON BEHALF OF DEFENDANT CARDINAL HEALTH: 3 MIRANDA PETERSEN, ESQUIRE 4 WILLIAMS &amp; CONNOLLY, LLP 5 725 Twelfth Street, N.W. 6 Washington, D.C. 20005 7 (202) 434-5000 8 9 ON BEHALF OF ENDO PHARMACEUTICALS, INC. and 10 ENDO HEALTH SOLUTIONS, INC.: 11 JOHN D. CELLA, ESQUIRE 12 ARNOLD &amp; PORTER KAYE SCHOLER, LLP 13 601 Massachusetts Avenue, N.W. 14 Washington, D.C. 20001-3743 15 (202) 942-6771 16 17 ON BEHALF OF AMERISOURCEBERGEN BERGEN: 18 MOLLY Q. CAMPBELL, ESQUIRE 19 REED SMITH, LLP 20 1301 K Street, N.W. 21 Suite 1000 - East Tower 22 Washington, D.C. 20005 23 (202) 414-9173 24</p>

<p style="text-align: right;">Page 6</p> <p>1 APPEARANCES (Continued):</p> <p>2</p> <p>3 ON BEHALF OF ALLERGAN FINANCE:</p> <p>4 MICHAEL LeFEVOUR, ESQUIRE (Telephonically)</p> <p>5 KIRKLAND &amp; ELLIS, LLP</p> <p>6 300 North LaSalle</p> <p>7 Chicago, Illinois 60654</p> <p>8 (312) 862-2000</p> <p>9</p> <p>10 ON BEHALF OF PRESCRIPTION SUPPLY, INC.:</p> <p>11 ERIC J. WILLIAMS, ESQUIRE (Telephonically)</p> <p>12 PELINI, CAMPBELL &amp; WILLIAMS, LLC</p> <p>13 Bretton Commons - Suite 400</p> <p>14 8040 Cleveland Avenue NW</p> <p>15 North Canton, Ohio 44720</p> <p>16 (330) 305-6400</p> <p>17</p> <p>18 ALSO PRESENT:</p> <p>19 RICHARD WOODS, Paralegal</p> <p>20 DANIEL HOLMSTOCK, Videographer</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p style="text-align: right;">Page 8</p> <p>1 EXHIBITS CONTINUED</p> <p>2 (Attached to transcript)</p> <p>3 MCKESSON-SNIDER DEPOSITION EXHIBITS PAGE</p> <p>4 No. 6 McKesson Operations Manual for</p> <p>5 Pharma Distribution, Exhibit</p> <p>6 P1.1333 through P1.1333.6 117</p> <p>7 No. 7 E-mail string re CSMP contribution,</p> <p>8 DCM call, Tightening up our</p> <p>9 increase process, Exhibit P1.1679</p> <p>10 through P1.1679.3 133</p> <p>11 No. 8 McKesson's Controlled Substance</p> <p>12 Monitoring Program, Regulatory</p> <p>13 Affairs Training, Exhibit P1.795</p> <p>14 through P1.795.51 137</p> <p>15 No. 9 Document re "Understand ARCOS Data,"</p> <p>16 Exhibit P1.1568 through P1.1568.2 149</p> <p>17 No. 10 Letter from Hyman, Phelps &amp;</p> <p>18 McNamara to Linden Barber, Exhibit</p> <p>19 P1.1829 through P1.1829.7 156</p> <p>20 No. 11 McKesson CSMP "Red Flags," Exhibit</p> <p>21 P1.1146 through P1.1146.8 163</p> <p>22</p> <p>23</p> <p>24</p>
<p style="text-align: right;">Page 7</p> <p>1 CONTENTS</p> <p>2 EXAMINATION OF BLAINE M. SNIDER PAGE</p> <p>3 By Mr. Bogle 17, 489</p> <p>4 By Mr. Collins 453, 514</p> <p>5</p> <p>6</p> <p>7</p> <p>8 EXHIBITS</p> <p>9 (Attached to transcript)</p> <p>10 MCKESSON-SNIDER DEPOSITION EXHIBITS PAGE</p> <p>11 No. 1 Drug Operations Manual, Exhibit</p> <p>12 P1.1555 through P1.1555.137 35</p> <p>13 No. 2 E&amp;C U.S. House of Representatives</p> <p>14 Committee on Energy and Commerce,</p> <p>15 Exhibit P1.264 through P1.264.9 59</p> <p>16 No. 3 Letter from Drug Enforcement</p> <p>17 Administration, September 27,</p> <p>18 2006, Exhibit P1.1464 through</p> <p>19 P1.1464.4 73</p> <p>20 No. 4 Beyond Boundaries, National</p> <p>21 Operations Conference 2007,</p> <p>22 Exhibit P1.1830 through P1.1830.9 83</p> <p>23 No. 5 E-mail re November LDMP, Exhibit</p> <p>24 P1.1864 through P1.1864.3 90</p>	<p style="text-align: right;">Page 9</p> <p>1 EXHIBITS CONTINUED</p> <p>2 (Attached to transcript)</p> <p>3 MCKESSON-SNIDER DEPOSITION EXHIBITS PAGE</p> <p>4 No. 12 Letter from the House of</p> <p>5 Representatives, Committee on</p> <p>6 Energy and Commerce to John H.</p> <p>7 Hammergren, dated February 15,</p> <p>8 2018, Exhibit P1.44 through P1.44.14 180</p> <p>9 No. 13 Documents re Mace's Pharmacy,</p> <p>10 Exhibit P1.1824 through P1.1824.91 188</p> <p>11 No. 14 U.S. Census Bureau 2010 Demographic</p> <p>12 Profile Data, Exhibit P1.1892</p> <p>13 through P1.1892.5 199</p> <p>14 No. 15 Threshold Change Forms, Exhibit</p> <p>15 P1.1782 through P1.1782.8 221</p> <p>16 No. 16 Documents re Best Care Pharmacy,</p> <p>17 Exhibit P1.1812 through P1.1812.72 229</p> <p>18 No. 17 Document re Weston, West Virginia,</p> <p>19 Exhibit P1.1909 232</p> <p>20 No. 18 Documents re Lumberport Pharmacy,</p> <p>21 Exhibit P1.1821 through P1.1821.20 267</p> <p>22 No. 19 Document re Lumberport, West</p> <p>23 Virginia, Exhibit P1.1908 272</p> <p>24</p>

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9	through P1.1251.2 296	9	P1.1896.5 354
10	No. 22 McKesson Northeast Region-Buffalo/	10	No. 34 E-mail string re Summit Pain
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16	Martella's Pharmacy (Conemaugh/	16	CSMP, Exhibit P1.1874 through
17	Martella's), Exhibit P1.1900	17	P1.1874.2 375
18	through P1.1900.3	18	No. 37 Chart, Exhibit P1.1907 378
19	No. 24 (number not used)	19	No. 38 McKesson's Controlled Substance
20	No. 25 (number not used)	20	Monitoring Program Regulatory
21	No. 26 E-mail string re Account #861446	21	Investigative Report, Exhibit
22	Account Name Martella's Pharmacy,	22	P1.1899 through P1.1899.13 383
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6	Martella's Pharmacy, Exhibit	6	after court upholds sexual
7	P1.1843 through P1.1843.2 319	7	imposition conviction against
8	No. 28 E-mail string re Status of	8	doctor accused of abusing patients,
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10	Martella's Pharmacy, Exhibit	10	No. 40 Google page showing Acme Pharmacy,
11	P1.1901 through P1.1901.2 332	11	Exhibit P1.1911 through P1.1911.2 391
12	No. 29 McKesson's Controlled Substance	12	No. 41 Documents re Giant Eagle Pharmacy,
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15	P1.1902 through P1.1902.5 335	15	Exhibit P1.1827 through P1.1827.16 402
16	No. 30 Press Release entitled Johnstown	16	No. 43 Documents re Giant Eagle 0357,
17	Pharmacist Charged in 109-Count	17	Exhibit P1.1811 through P1.1811.13 406
18	Indictment with Illegally	18	No. 44 E-mail string re Giant Eagle CSMP
19	Creating Bogus Prescriptions and	19	Thresholds, Exhibit P1.1866 through
20	then Dispensing the Drugs, Exhibit	20	P1.1866.14 411
21	P1.1905 through P1.1905.2 340	21	No. 45 Documents re Giant Eagle 0465,
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23	America v. Joseph M. Martella,	23	No. 46 Documents re Giant Eagle 0230,
24	Exhibit P1.1904 through P1.1904.10 343	24	Exhibit P1.1816 through P1.1816.5 423

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5	Exhibit P1.1839 through P1.1839.5 427	5	Bates MCKMDL00598574 through
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7	Exhibit P1.1817 through P1.1817.8 431	7	No. 69 Documents re Summit County, Exhibit
8	No. 49 E-mail string re Pain mgt, Exhibit	8	P1.1889 through P1.1889.31 509
9	P1.1841 through P1.1841.4 433	9	
10	No. 50 E-mail string re Suspicious Order	10	
11	Monitoring Awareness Training,	11	
12	Exhibit P1.1775 through P1.1775.2 439	12	
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14	Report - March, Exhibit P1.1876	14	
15	through P1.1876.2 443	15	
16	No. 52 McKesson DEA Tri-annual checklist,	16	
17	Bates MCK_00002614 through 00002617 459	17	
18	No. 53 Photograph, Bates MCKMDL00649081 464	18	
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1	EXHIBITS CONTINUED	1	PROCEEDINGS
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3	MCKESSON-SNIDER DEPOSITION EXHIBITS PAGE	3	THE VIDEOGRAPHER: We are now on the
4	No. 60 Photograph, Bates MCKMDL00649076 464	4	record. My name is Daniel Holmstock. I am the
5	No. 61 Photograph, Bates MCKMDL00649072 464	5	videographer for Golkow Litigation Services.
6	No. 62 Photograph, Bates MCKMDL00649070 464	6	Today's date is November 8, 2018, and the time on
7	No. 63 McKesson Operations Manual, DEA	7	the screen is 8:34 a.m.
8	General Policies / Requirements,	8	This deposition is being held at the law
9	Bates MCKMDL00534074 through	9	offices of Covington & Burling, LLP, at 850
10	00534091 476	10	10th Street, Northwest, in Washington, D.C., in
11	No. 64 Controlled Substance Compliance	11	the matter of In Re: National Prescription Opiate
12	Processes (CSCP), Bates	12	Litigation. It is pending before the United
13	MCKMDL00531288 through 00531302 478	13	States District Court for the Northern District of
14	No. 65 McKesson Operations Manual,	14	Ohio, Eastern Division.
15	ARCOS Reporting, Bates MCKMDL00354474	15	The deponent today is Mr. Blaine Snider.
16	through 00354491 483	16	Counsel will be noted on the
17	No. 66 McKesson Operations Manual,	17	stenographic record. The court reporter is Leslie
18	ARCOS/Controlled Drug Inventory	18	Todd, who will now administer the oath.
19	Procedures, Bates MCKMDL00329091	19	BLAINE M. SNIDER,
20	through 00329111 484	20	and having been first duly sworn,
21	No. 67 DEA letter to Covington & Burling,	21	was examined and testified as follows:
22	dated November 4, 2014, Bates	22	CROSS EXAMINATION
23	MCKMDL00409453 through 00409458 493	23	BY MR. BOGLE:
24		24	Q Can I get your full name, sir?

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1 A Blaine Matthew Snider.  
2 Q And am I correct that you're currently  
3 employed with McKesson?  
4 A Yes.  
5 Q Okay. And have you ever been deposed  
6 before?  
7 A No.  
8 Q Okay. Just a few basic ground rules  
9 that might help both of us here today. I'm going  
10 to be asking you some questions, and if you don't  
11 understand the question I ask or don't hear it,  
12 it's perfectly okay for you to ask me to repeat or  
13 rephrase the question. Okay?  
14 A Okay.  
15 Q If you need a break at any point in  
16 time, just let me know or your counsel know.  
17 Happy to take a break whenever you need it. All  
18 I'd ask is if I've got a question pending, that  
19 you answer that question, and then we can break  
20 for whenever you want.  
21 And also I'm going to ask you questions,  
22 you're going to provide answers. I'd ask that we  
23 try not to talk over each other. So I'll ask my  
24 question, try to give you ample opportunity to

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1 answer before I ask my next question. Is that  
2 fair?  
3 A Okay.  
4 Q Okay. And how long have you been with  
5 McKesson?  
6 A Almost 40 years.  
7 Q Okay. Am I correct that you currently  
8 hold the director of operations position at the  
9 New Castle Distribution Center?  
10 A Yes.  
11 Q Okay. How long have you held that  
12 specific position?  
13 A Eighteen -- eighteen years.  
14 Q Okay. What was your job at McKesson  
15 prior to that?  
16 A I was distribution center manager in  
17 Sewickley, Pennsylvania, and North Canton, Ohio.  
18 Q Okay. How long did you have that role?  
19 A About three years.  
20 Q How about prior to that?  
21 A I was operations manager in Cincinnati,  
22 Ohio, and North Canton previous to that.  
23 Q How long did you hold that position?  
24 A Oh, I can't remember now. Eight, ten

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1 years, I guess.  
2 Q Okay. What was your job prior to that  
3 at McKesson, just the title?  
4 A I started as a supervisor almost 40  
5 years ago.  
6 Q Okay. So would it be fair to say, just  
7 doing the rough math here, that you have nearly 30  
8 years of experience as a distribution center  
9 operations manager at McKesson?  
10 A Yes.  
11 Q Okay. Now, McKesson itself as an entity  
12 has, as I understand it, 37 distribution centers  
13 around the country; is that right?  
14 MR. COLLINS: Objection to the form.  
15 THE WITNESS: I can't answer to -- it  
16 sounds like you're including med-surg or something  
17 else. I know there's 28 distributions centers for  
18 U.S. pharma.  
19 BY MR. BOGLE:  
20 Q Okay. And New Castle is one of those 28  
21 distribution centers for U.S. pharma, correct?  
22 A Yes.  
23 Q And just so I understand, as director of  
24 operations for New Castle, it would be your

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1 general responsibility to run the day-to-day  
2 operations for the facility, correct?  
3 MR. COLLINS: Objection. Form.  
4 THE WITNESS: I'm in charge of the  
5 facility, yes.  
6 BY MR. BOGLE:  
7 Q Right. So it's fair to say that you're  
8 the highest ranking McKesson employee at New  
9 Castle that has responsibility exclusive to that  
10 distribution center, right?  
11 MR. COLLINS: Objection to form.  
12 THE WITNESS: Well, I'm not sure. I  
13 have a VP/GM I report to, but I run the  
14 distribution center.  
15 BY MR. BOGLE:  
16 Q Who do you report to?  
17 A Brian Ferreira, the VP/GM.  
18 Q When it comes to decisions specific to  
19 the operations of New Castle, would it be fair to  
20 say that the buck stops with you?  
21 MR. COLLINS: Objection to form, vague.  
22 THE WITNESS: I don't think so.  
23 BY MR. BOGLE:  
24 Q Okay. Who do you think the buck stops



<p style="text-align: right;">Page 22</p> <p>1 with at New Castle?</p> <p>2 MR. COLLINS: Same objection.</p> <p>3 THE WITNESS: I don't know the buck. I</p> <p>4 know I'm in charge of the distribution center</p> <p>5 operations, and I have a boss who is the VP/GM.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Okay. When you say you're responsible</p> <p>8 for distribution center operations, what do you</p> <p>9 think that that -- that entails?</p> <p>10 A In charge of the distribution center and</p> <p>11 the employees, and the pick, pack and ship of that</p> <p>12 operations.</p> <p>13 Q When you say "pick, pack and ship," what</p> <p>14 does that mean?</p> <p>15 A The day-to-day filling of orders for our</p> <p>16 customers out of the New Castle DC.</p> <p>17 Q Okay. And when it comes to pills that</p> <p>18 are distributed from New Castle, you would agree</p> <p>19 with me that it's your ultimate responsibility to</p> <p>20 make sure that those go to the proper customers</p> <p>21 for the proper purpose.</p> <p>22 MR. COLLINS: Objection. Compound,</p> <p>23 form.</p> <p>24 THE WITNESS: We make sure the orders</p>	<p style="text-align: right;">Page 24</p> <p>1 conclusion.</p> <p>2 Please let me finish my objections.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q When it comes to the Controlled</p> <p>5 Substances Act, you understand that part of that</p> <p>6 act requires that controlled substances that are</p> <p>7 distributed to customers are being provided for a</p> <p>8 legitimate medical purpose, correct?</p> <p>9 MR. COLLINS: Objection. Form, calls</p> <p>10 for a legal conclusion.</p> <p>11 THE WITNESS: I can't --</p> <p>12 MR. COLLINS: Foundation.</p> <p>13 THE WITNESS: I can't say a legitimate</p> <p>14 medical purpose. I don't know that phrase. I'm</p> <p>15 sorry.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q You've never heard that phrase?</p> <p>18 A No.</p> <p>19 Q Okay. You're a member of management at</p> <p>20 the distribution center for New Castle, right?</p> <p>21 A Yes.</p> <p>22 MR. COLLINS: Objection to form.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q And the distribution center management</p>
<p style="text-align: right;">Page 23</p> <p>1 are correct, accurate, billed correctly, shipped</p> <p>2 correctly, on time.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q And your job responsibilities also</p> <p>5 include, when it comes to controlled substances,</p> <p>6 making sure that the customers purchasing are</p> <p>7 purchasing for a legitimate medical purpose,</p> <p>8 correct?</p> <p>9 MR. COLLINS: Objection. Form, calls</p> <p>10 for a legal conclusion, lacks foundation.</p> <p>11 THE WITNESS: I can't say for the</p> <p>12 customers all the time. I can say that I follow</p> <p>13 the Code of Federal Regulations.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q Okay. And part of the Code of Federal</p> <p>16 Regulations, when it comes to the Controlled</p> <p>17 Substances Act, talks about the distributor's</p> <p>18 responsibility to ensure that they're supplying</p> <p>19 drugs to customers who are buying it for a</p> <p>20 legitimate medical purpose, right?</p> <p>21 MR. COLLINS: Objection. Form, asked</p> <p>22 and answered --</p> <p>23 THE WITNESS: Can you repeat that?</p> <p>24 MR. COLLINS: -- calls for a legal</p>	<p style="text-align: right;">Page 25</p> <p>1 at McKesson has the full responsibility for</p> <p>2 ensuring the proper distribution of controlled</p> <p>3 substances, correct?</p> <p>4 MR. COLLINS: Objection to form, calls</p> <p>5 for a legal conclusion, vague.</p> <p>6 THE WITNESS: Can you repeat the</p> <p>7 question, please?</p> <p>8 MR. BOGLE: Can you repeat back, Court</p> <p>9 Reporter?</p> <p>10 (Whereupon, the requested record</p> <p>11 was read.)</p> <p>12 MR. COLLINS: Same objections.</p> <p>13 THE WITNESS: I believe so, yes.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q Okay. And that's a job you take</p> <p>16 seriously, right?</p> <p>17 A Yes.</p> <p>18 Q Okay. Just make sure you speak up a</p> <p>19 little bit. I'm having sometimes a little trouble</p> <p>20 hearing you.</p> <p>21 A Okay.</p> <p>22 Q Is that "yes"?</p> <p>23 A Yes.</p> <p>24 Q Okay. Your pay structure at McKesson,</p>

<p style="text-align: right;">Page 26</p> <p>1 do you receive bonuses?</p> <p>2 A Yes.</p> <p>3 Q Okay. How are those bonuses determined?</p> <p>4 What criteria is used?</p> <p>5 MR. COLLINS: Objection to form.</p> <p>6 THE WITNESS: It's based on operational</p> <p>7 performance and employee engagement.</p> <p>8 BY MR. BOGLE:</p> <p>9 Q Okay. When it comes to operational</p> <p>10 performance, does that include the amount of</p> <p>11 products sold by the distribution center during a</p> <p>12 year?</p> <p>13 MR. COLLINS: Objection to form, vague.</p> <p>14 THE WITNESS: No.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q Okay. What's included?</p> <p>17 A It would be productivity, quality,</p> <p>18 on-time delivery, customer satisfaction, employee</p> <p>19 engagement, as I mentioned before, and then those</p> <p>20 are rounded together.</p> <p>21 Q What's included within productivity?</p> <p>22 MR. COLLINS: Objection to form.</p> <p>23 THE WITNESS: There's lines per hour, we</p> <p>24 call it.</p>	<p style="text-align: right;">Page 28</p> <p>1 MR. BOGLE: -- stick to form objections.</p> <p>2 You're going beyond that considerably here.</p> <p>3 MR. COLLINS: No, my objection is</p> <p>4 legitimate. Your question wasn't. So my</p> <p>5 objection stands. It's the form, calls for a</p> <p>6 legal conclusion --</p> <p>7 MR. BOGLE: I believe the protocol calls</p> <p>8 for just form objections. Not speaking objections</p> <p>9 beyond that.</p> <p>10 MR. COLLINS: We have a phone here if</p> <p>11 you want to make a call to the special master.</p> <p>12 MR. BOGLE: Well, we can see if this</p> <p>13 continues. We may have to.</p> <p>14 MR. COLLINS: Listen, it's a proper</p> <p>15 objection. Your question wasn't.</p> <p>16 MR. BOGLE: I don't want to stop ten</p> <p>17 minutes in.</p> <p>18 BY MR. BOGLE:</p> <p>19 Q I'll ask my question again.</p> <p>20 Do you believe that protecting the</p> <p>21 health and safety of the public is the most</p> <p>22 important consideration for a distributor of</p> <p>23 pharmaceutical products?</p> <p>24 MR. COLLINS: Same objections. Form,</p>
<p style="text-align: right;">Page 27</p> <p>1 THE REPORTER: Lines?</p> <p>2 THE WITNESS: Lines per hour. Sorry.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q What does "lines per hour" mean?</p> <p>5 A How many lines we do in an hour, and</p> <p>6 then there's quality defects per million</p> <p>7 opportunities to make sure we have an accurate</p> <p>8 order, filled complete and -- and accurately.</p> <p>9 Q So is it your testimony that total</p> <p>10 revenues for the distribution center play no role</p> <p>11 in your bonus?</p> <p>12 MR. COLLINS: Objection to form.</p> <p>13 Foundation.</p> <p>14 THE WITNESS: Correct.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q You would agree with me that protecting</p> <p>17 the health and safety of the public is the most</p> <p>18 important consideration for any distributor of</p> <p>19 pharmaceutical products, correct?</p> <p>20 MR. COLLINS: Objection. Form,</p> <p>21 foundation, calls for a legal conclusion, argue --</p> <p>22 MR. BOGLE: I believe you're supposed to</p> <p>23 just --</p> <p>24 MR. COLLINS: Argumentative.</p>	<p style="text-align: right;">Page 29</p> <p>1 calls for a legal conclusion, foundation.</p> <p>2 THE WITNESS: I can't answer to all the</p> <p>3 health and safety of the public. I can answer to</p> <p>4 the Code of Federal Regulations and my duties.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Okay. So do you believe that compliance</p> <p>7 with the Federal Regulations is the most important</p> <p>8 consideration for a distributor of pharmaceutical</p> <p>9 products like McKesson?</p> <p>10 MR. COLLINS: Objection to form.</p> <p>11 THE WITNESS: I think it's a part of it.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Okay. Any more important part that you</p> <p>14 can think of?</p> <p>15 MR. COLLINS: Same objections. Form,</p> <p>16 foundation.</p> <p>17 THE WITNESS: Well, people.</p> <p>18 BY MR. BOGLE:</p> <p>19 Q People, what do you mean by that?</p> <p>20 A My employees.</p> <p>21 Q Okay. What about the people that you're</p> <p>22 supplying the controlled substances to ultimately,</p> <p>23 the end user?</p> <p>24 MR. COLLINS: Object --</p>



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1 BY MR. BOGLE:  
2 Q Do you think you have any responsibility  
3 to those people?  
4 MR. COLLINS: Objection. It's a  
5 mischaracterization, lacks foundation, form.  
6 THE WITNESS: I mentioned before about  
7 on-time, accurate delivery to my customers.  
8 BY MR. BOGLE:  
9 Q Okay. So you think you have any  
10 responsibility to the -- the end user, the person  
11 who's purchasing from your customer?  
12 MR. COLLINS: Objection to form, calls  
13 for speculation.  
14 THE WITNESS: I think I mentioned that  
15 before. Yes.  
16 BY MR. BOGLE:  
17 Q Okay. And as to the ultimate purchaser,  
18 the person who's going to go to your -- to the  
19 pharmacy and purchase the drug, do you think that  
20 McKesson has a responsibility to protect the  
21 health and safety of those people?  
22 MR. COLLINS: Same objections. Asked  
23 and answered, form.  
24 THE WITNESS: I can't answer for all of

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1 McKesson. I can just answer for New Castle.  
2 BY MR. BOGLE:  
3 Q Sure. Then I'll rephrase it that way.  
4 Do you think New Castle has such a responsibility?  
5 MR. COLLINS: Same objections.  
6 THE WITNESS: I don't -- can you repeat  
7 the question?  
8 BY MR. BOGLE:  
9 Q Sure.  
10 Do you think New Castle has a  
11 responsibility for the health and safety of the  
12 end user purchasing controlled substances  
13 distributed by McKesson?  
14 MR. COLLINS: Objection to form.  
15 THE WITNESS: I can't say that I can  
16 control that.  
17 BY MR. BOGLE:  
18 Q Okay. I didn't ask if control. I asked  
19 if you had responsibility.  
20 MR. COLLINS: Objection to form.  
21 THE WITNESS: I can't be responsible for  
22 someone that purchases drugs.  
23 BY MR. BOGLE:  
24 Q Okay. So you think you have no

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1 responsibility for ensuring that people are  
2 purchasing for legitimate medical purposes?  
3 MR. COLLINS: Objection to form,  
4 argumentative. Calls for a legal conclusion.  
5 THE WITNESS: I can't answer to that.  
6 BY MR. BOGLE:  
7 Q You don't know?  
8 A I can't answer to that.  
9 Q Okay. When you say you can't answer  
10 that, what -- what's keeping you from answering  
11 that?  
12 A I don't know.  
13 Q Okay. Have you heard of the term  
14 "diversion" when it comes to controlled  
15 substances?  
16 A Yes.  
17 Q What does that term mean to you?  
18 A It's in the supply chain where the  
19 product could be diverted. Like inbound trucks  
20 that come in, sometimes those are hijacked, or in  
21 the building to make sure security is there.  
22 There's a chance for diversion there. And in the  
23 truck drivers, there's a chance for diversion  
24 there. And to make sure that that supply chain is

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1 intact.  
2 Q Okay. So you talked about ways that  
3 diversion can occur, but before we get there, what  
4 do you understand the term "diversion" to mean?  
5 When somebody diverts something when it comes to  
6 controlled substances, what does that mean to you?  
7 A Loss of controlled substance.  
8 Q Loss of product?  
9 A Yes.  
10 Q Okay. Have you ever heard the term  
11 "diversion" used to mean the use of a controlled  
12 substance for an illegitimate purpose?  
13 A No.  
14 Q Never heard of that concept?  
15 A No.  
16 Q Okay. You've talked a couple of times  
17 about compliance with Federal Regulations, and  
18 that you're familiar with the Controlled  
19 Substances Act, correct?  
20 MR. COLLINS: Objection. Lacks  
21 foundation, calls for a legal conclusion.  
22 THE WITNESS: Is that the Code of  
23 Federal Regulations?  
24 BY MR. BOGLE:

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1 Q I'm just asking if you're familiar with  
2 the Controlled Substances Act.  
3 A I'm not sure.  
4 Q You're not -- have you ever heard that  
5 phrase used, Controlled Substances Act?  
6 A No.  
7 Q Never heard that?  
8 A No.  
9 Q Okay. So is that -- have you ever read  
10 any portion of that act in conjunction with your  
11 responsibilities at McKesson?  
12 A I would have to see it. I'm not sure it  
13 was called the Controlled Substance Act. I just  
14 know the Code of Federal Regulations.  
15 Q Okay. Do you have any familiarity as to  
16 whether the Controlled Substances Act was -- was  
17 and is designed to prevent diversion of controlled  
18 substances like opioids?  
19 MR. COLLINS: Objection. Calls for a  
20 legal conclusion, form.  
21 THE WITNESS: I can't answer to that. I  
22 don't know.  
23 BY MR. BOGLE:  
24 Q Are you familiar with SOP 55? Ever

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1 heard of that?  
2 A No.  
3 Q Okay. And SOP, I'm referring to  
4 Standard Operating Procedure, 55. Does that help  
5 at all?  
6 A I don't call it that.  
7 Q Okay.  
8 A I'm not familiar with that.  
9 Q Okay. I'm going to hand you what I'm  
10 marking as -- it's labeled as Exhibit 1.1555,  
11 being marked as Snider Exhibit 1.  
12 (Snider Exhibit No. 1 was marked  
13 for identification.)  
14 MR. BOGLE: There's yours, and there's  
15 an extra there too.  
16 BY MR. BOGLE:  
17 Q Okay. Do you see at the top here, it  
18 says "Drug Operations Manual 55/Controlled  
19 Substances"?  
20 Do you see that at the top?  
21 A Yes.  
22 Q Okay. And below that it's got some  
23 text. I want to read from the very beginning  
24 under A where it says "General."

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1 Do you see that section?  
2 A Yes.  
3 MR. COLLINS: I'm sorry. Can you --  
4 THE WITNESS: At the top?  
5 BY MR. BOGLE:  
6 Q Yes. Correct.  
7 It says below that -- well, actually,  
8 before we get there, does this jog your memory at  
9 all about SOP 55 within McKesson?  
10 MR. COLLINS: Objection to form.  
11 THE WITNESS: No. We don't call it  
12 that.  
13 BY MR. BOGLE:  
14 Q Okay.  
15 A It's the Drug Operations Manual.  
16 Q Okay. So you're familiar with the Drug  
17 Operations Manual?  
18 A Yes.  
19 Q Okay. So have you seen this document  
20 before?  
21 A Yes.  
22 Q You have. Okay.  
23 Now, it says below "General": "The aim  
24 of the Controlled Substances Act is to prevent

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1 diversion of abusable substances into the illicit  
2 traffic while ensuring their availability for  
3 legitimate medical purposes."  
4 Do you see that?  
5 A Yes.  
6 Q Do you agree with that statement?  
7 MR. COLLINS: Objection. Form.  
8 THE WITNESS: I see it. I agree that  
9 it's there.  
10 BY MR. BOGLE:  
11 Q Okay. Do you have an understanding as  
12 to whether that's a correct statement?  
13 A I can't answer --  
14 MR. COLLINS: Object -- I'm sorry,  
15 please let me object.  
16 Assumes facts not in evidence,  
17 foundation, form.  
18 BY MR. BOGLE:  
19 Q You don't know whether that's a correct  
20 statement or not; is that your testimony?  
21 A I can't --  
22 MR. COLLINS: Same objections.  
23 THE WITNESS: I can't answer to that.  
24 BY MR. BOGLE:

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1 Q Why? Is it because you don't know?  
2 MR. COLLINS: Objection. Argumentative,  
3 form.  
4 BY MR. BOGLE:  
5 Q I'm just trying to understand why you  
6 can't answer.  
7 A I don't understand the question.  
8 Q Okay. So I read the first sentence here  
9 to you, and my question was, do you think that's  
10 an accurate statement as to the aim of the  
11 Controlled Substances Act?  
12 MR. COLLINS: Objection. Form,  
13 foundation.  
14 THE WITNESS: I see it on there, and I  
15 see -- think it's accurate on 7/2000.  
16 BY MR. BOGLE:  
17 Q Okay. Do you think that's an accurate  
18 statement today as to the Controlled Substances  
19 Act?  
20 A I don't know that.  
21 Q You don't know either way?  
22 A I don't know. I can't answer to how the  
23 change -- how it's changed. It's an evolving  
24 program, and this was -- the Drug Operations

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1 Manual was trained and evolved over time to meet  
2 the needs and changes of the regulations.  
3 Q So looking at that paragraph, the last  
4 sentence there says: "It is extremely important  
5 that McKesson employees comply fully with the  
6 regulations and the following guidelines," and  
7 then there is a discussion of the guidelines  
8 thereafter.  
9 Do you see that sentence?  
10 A Yes.  
11 Q Okay. Do you agree that it's extremely  
12 important for McKesson to comply specifically with  
13 the Controlled Substances Act?  
14 MR. COLLINS: Objection. Form,  
15 foundation, calls for a legal conclusion.  
16 THE WITNESS: I agree that it's  
17 extremely important that McKesson employees comply  
18 fully with the regulations and the following  
19 guidelines, yes.  
20 BY MR. BOGLE:  
21 Q Okay. And those regulations include the  
22 Controlled Substances Act, right?  
23 MR. COLLINS: Objection.  
24 Mischaracterization, form.

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1 THE WITNESS: Yes.  
2 BY MR. BOGLE:  
3 Q Do you have an understanding that  
4 McKesson's responsibilities under the Controlled  
5 Substances Act include having effective controls  
6 against diversion?  
7 MR. COLLINS: Objection to form,  
8 foundation.  
9 THE WITNESS: In my distribution center,  
10 yes, we had effective controls against diversion.  
11 MR. BOGLE: Move to strike as  
12 nonresponsive.  
13 BY MR. BOGLE:  
14 Q That's not my question. We'll get  
15 there. I'm asking you questions that I think is  
16 before we get there.  
17 My question is, do you agree that  
18 McKesson's responsibilities under the Controlled  
19 Substances Act include having effective controls  
20 against diversion?  
21 MR. COLLINS: Objection. The question  
22 was just asked. He just answered. He's not here  
23 as a 30(b)(6) witness, so he is not answering on  
24 behalf of McKesson.

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1 BY MR. BOGLE:  
2 Q You can answer.  
3 A I can answer for my distribution center,  
4 and it stands, yes.  
5 Q Okay. Yes, that you understand that  
6 your responsibilities at New Castle include having  
7 effective controls against diversion, right?  
8 A Yes.  
9 Q Okay. And part of having effective  
10 controls against diversion include monitoring for  
11 suspicious controlled substance orders, right?  
12 A Depends on what period and what you're  
13 calling "monitoring."  
14 Q Okay. Well, we'll start with a period.  
15 What period of time do you think that  
16 the responsibilities at New Castle did not include  
17 monitoring for suspicious controlled substances  
18 orders?  
19 MR. COLLINS: Objection. Form.  
20 Mischaracterization.  
21 THE WITNESS: I can't answer that for my  
22 40 years. I didn't always know that when I first  
23 started. So I think your question has to be more  
24 specific so I can respond to it.

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1 BY MR. BOGLE:  
 2 Q Okay. Well, you've been director of  
 3 operations at New Castle you said for 18 years,  
 4 right?  
 5 A Yes.  
 6 Q So let's focus on those 18 years.  
 7 A Okay.  
 8 Q So from 2000 to 2018, is there any point  
 9 in time in that 18-year window where you believe  
 10 that New Castle's responsibilities did not include  
 11 monitoring for suspicious controlled substance  
 12 orders?  
 13 A No.  
 14 Q Okay. So we can agree during that  
 15 window those responsibilities existed at your  
 16 facility, right?  
 17 A What's the question, please? I'm sorry.  
 18 Q That your responsibilities from 2000 to  
 19 2018 at New Castle included monitoring for  
 20 suspicious orders, that was part of your job too,  
 21 right?  
 22 A Yes.  
 23 Q And part of your job from 2000 to 2018  
 24 at New Castle also included reporting orders to

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1 the DEA that were deemed to be suspicious, right?  
 2 A Yes.  
 3 Q And if a suspicious order was identified  
 4 during that 18-year time period, it was not  
 5 supposed to be shipped, right?  
 6 MR. COLLINS: Objection. Form, legal  
 7 conclusion, foundation.  
 8 THE WITNESS: Can you repeat the  
 9 question?  
 10 BY MR. BOGLE:  
 11 Q Sure.  
 12 A Because there's different forms of the  
 13 Controlled Substance Monitoring Program.  
 14 Q Okay. Well, I'll make it as specific as  
 15 possible. From 2000 to 2018 at New Castle, if you  
 16 identified a suspicious order for an opioid  
 17 product, you would agree with me that that order  
 18 should not be shipped, right?  
 19 MR. COLLINS: Objection. Form,  
 20 foundation, assumes facts not in evidence, and  
 21 calls for a legal conclusion.  
 22 THE WITNESS: I can't answer that.  
 23 BY MR. BOGLE:  
 24 Q You don't know at all?

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1 A I don't know.  
 2 Q Okay. Is that not part of your job?  
 3 MR. COLLINS: Objection. Argue --  
 4 BY MR. BOGLE:  
 5 Q During that time period?  
 6 MR. COLLINS: Objection. Argumentative  
 7 and compound. Form.  
 8 THE WITNESS: Is what not part of my  
 9 job?  
 10 BY MR. BOGLE:  
 11 Q For ensuring that suspicious orders were  
 12 not shipped.  
 13 MR. COLLINS: Objection. Calls for a  
 14 legal conclusion, asked and answered.  
 15 THE WITNESS: Yes, my job was to follow  
 16 the regs here.  
 17 BY MR. BOGLE:  
 18 Q Right. I'm talking about a specific  
 19 portion of those, which is that suspicious orders  
 20 should not be shipped.  
 21 MR. COLLINS: Object --  
 22 BY MR. BOGLE:  
 23 Q And my question was simply, from 2000 to  
 24 2018 as director of operations for New Castle, you

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1 would agree with me that if you guys found a  
 2 suspicious order for a controlled substance, you  
 3 weren't supposed to ship it, right?  
 4 MR. COLLINS: Objection. Argumentative,  
 5 assumes facts not in evidence. It's a  
 6 mischaracterization of this document.  
 7 MR. BOGLE: I'm not talking about the  
 8 document -- just to be clear, I'm not talking  
 9 about this document.  
 10 MR. COLLINS: Oh, I'm sorry.  
 11 MR. BOGLE: I'm talking generally.  
 12 MR. COLLINS: Objection to form.  
 13 THE WITNESS: I can't answer that, no.  
 14 BY MR. BOGLE:  
 15 Q You don't know?  
 16 A No.  
 17 Q Okay. So as you sit here today, if you  
 18 identify a suspicious order at New Castle, do you  
 19 ship it for a controlled substance?  
 20 MR. COLLINS: Objection. Calls for a  
 21 hypothetical.  
 22 THE WITNESS: I can't answer that. I  
 23 don't know what I'd do today. What -- I don't  
 24 understand suspicious order, what you're --

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1 BY MR. BOGLE:  
 2 Q You don't --  
 3 A No, you're -- you're generalizing, and I  
 4 can't answer a general question about every order  
 5 that we've shipped.  
 6 Q I'm not asking about every order that  
 7 you've shipped. I'm asking about suspicious  
 8 orders.  
 9 Have you ever heard the term "suspicious  
 10 order" as it pertains to controlled substance?  
 11 A Yes.  
 12 Q What do you understand that to mean?  
 13 A An order that has -- over time it's  
 14 evolved to what it means according to the DEA. So  
 15 at first it was an order above an average or a  
 16 norm. That's what I understand it -- understood  
 17 it to be in the year 2000.  
 18 Q Okay. And how has that understanding  
 19 evolved from your perspective? What do you  
 20 understand that to mean?  
 21 MR. COLLINS: Objection. Vague, form.  
 22 THE WITNESS: To report unusual or  
 23 suspicious orders.  
 24 BY MR. BOGLE:

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1 Q Right. And also to not ship them. Just  
 2 to report them is not enough, right?  
 3 MR. COLLINS: Objection. Argumentative,  
 4 asked and answered, calls for a legal conclusion,  
 5 and it's a mischaracterization of his prior  
 6 testimony.  
 7 THE WITNESS: No.  
 8 BY MR. BOGLE:  
 9 Q You can answer. "No" to what?  
 10 A Your question.  
 11 Q Okay. So if you find a suspicious order  
 12 at New Castle, you understand that at all points  
 13 in time from 2000 to 2018, you weren't supposed to  
 14 ship it, right?  
 15 MR. COLLINS: Objection. Asked and  
 16 answered.  
 17 Do you have another line of questioning?  
 18 MR. BOGLE: I haven't got --  
 19 MR. COLLINS: This has been asked and  
 20 answered multiple times.  
 21 MR. BOGLE: You can state a form  
 22 objection. That's what you're allowed to state.  
 23 MR. COLLINS: Listen, I'm trying to --  
 24 MR. BOGLE: I'm going to ask my

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1 question. He can answer my question. There's a  
 2 question pending.  
 3 MR. COLLINS: I'm going to finish my  
 4 objection, if you don't mind.  
 5 Objection to form, calls for a legal  
 6 conclusion, asked and answered, and  
 7 mischaracterization.  
 8 BY MR. BOGLE:  
 9 Q You can answer.  
 10 A Can you repeat the question?  
 11 Q Sure. From 2000 to 2018, if you  
 12 identified a suspicious order at New Castle, you  
 13 would agree with me that your responsibility was  
 14 not to ship that order, right?  
 15 MR. COLLINS: Same objections. Lack of  
 16 foundation, form, assumes facts not in evidence,  
 17 calls for a legal conclusion.  
 18 THE WITNESS: I would not agree with  
 19 you.  
 20 BY MR. BOGLE:  
 21 Q Okay. So you think it's okay to ship a  
 22 suspicious order once you've identified it?  
 23 MR. COLLINS: Objection. Argumentative.  
 24 BY MR. BOGLE:

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1 Q I'm just trying to make sure I  
 2 understand your testimony.  
 3 MR. COLLINS: Objection.  
 4 Mischaracterization.  
 5 THE WITNESS: Can you repeat the  
 6 question, please?  
 7 BY MR. BOGLE:  
 8 Q Okay. From 2000 to 2018, was there ever  
 9 a point in time that you felt it was okay to ship  
 10 a suspicious order that you identified at New  
 11 Castle?  
 12 MR. COLLINS: Objection. Form, calls  
 13 for a legal conclusion, foundation.  
 14 THE WITNESS: It depends on the context  
 15 of the program.  
 16 BY MR. BOGLE:  
 17 Q How?  
 18 A It -- it's the unusual purchase  
 19 notification program. At the early stages, it was  
 20 an average -- it was evolved over time. So I  
 21 can't say that something was identified as -- I  
 22 believe in here it was called unusual purchases,  
 23 that we didn't ship it but we notified the DEA.  
 24 Q Okay. And I guess I'm still not clear



<p style="text-align: right;">Page 50</p> <p>1 on -- on where you stand on this point.</p> <p>2 Can you identify me any point in time</p> <p>3 from 2000 to 2018 where you feel that at New</p> <p>4 Castle it was okay to ship an order you had</p> <p>5 identified as suspicious?</p> <p>6 MR. COLLINS: Objection to form, vague,</p> <p>7 calls for a legal conclusion, mischaracterization,</p> <p>8 and asked and answered.</p> <p>9 THE WITNESS: If the format of 2000 to,</p> <p>10 I believe, 2006, we identified unusual purchases</p> <p>11 to the DEA, and then shipped it after notifying</p> <p>12 the DEA.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q Okay. And starting in 2006, did you</p> <p>15 continue shipping suspicious orders that you had</p> <p>16 identified?</p> <p>17 A No.</p> <p>18 Q Okay. And why did that change in 2006</p> <p>19 at New Castle?</p> <p>20 A We develop -- I think it was 2006 or '7,</p> <p>21 we developed a new program. Because on this</p> <p>22 program, 2000 to 2006, we faxed unusual purchases</p> <p>23 to the DEA every day so they could look at it, and</p> <p>24 we sent monthly programs to them. And in 2006 or</p>	<p style="text-align: right;">Page 52</p> <p>1 the word "okay." Calls for a legal conclusion,</p> <p>2 and asked and answered.</p> <p>3 THE WITNESS: No.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q It was not okay to do that.</p> <p>6 A No.</p> <p>7 Q Okay. So -- and when it comes to due</p> <p>8 diligence at the distribution center level at New</p> <p>9 Castle, you understand that the distribution</p> <p>10 center had the responsibility to investigate and</p> <p>11 review thoroughly threshold change requests,</p> <p>12 right?</p> <p>13 MR. COLLINS: Objection. Form, vague,</p> <p>14 time frame, calls for a legal conclusion.</p> <p>15 THE WITNESS: What -- I'm sorry. What</p> <p>16 was the question? What years?</p> <p>17 BY MR. BOGLE:</p> <p>18 Q At all points in time, from 2000 to</p> <p>19 2018, at the distribution center level --</p> <p>20 actually, strike that. Let me back up.</p> <p>21 Threshold change requests, that process</p> <p>22 was developed starting in '07, right?</p> <p>23 A Yes.</p> <p>24 Q Okay. So let me rephrase the time</p>
<p style="text-align: right;">Page 51</p> <p>1 '7, I don't remember which, the program even got</p> <p>2 more robust and data driven.</p> <p>3 Q Where did you have the understanding</p> <p>4 that from 2000 to 2006 it was okay to ship</p> <p>5 suspicious orders that you had identified?</p> <p>6 MR. COLLINS: Objection to form. Calls</p> <p>7 for a legal conclusion.</p> <p>8 THE WITNESS: I think you're putting</p> <p>9 words into my mouth, which you're calling unusual</p> <p>10 or suspicious purchases. We notified the DEA that</p> <p>11 something was above the average.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Well, I'm sorry, I wasn't trying to put</p> <p>14 words in your mouth. I thought that's what you</p> <p>15 just said.</p> <p>16 A I -- I --</p> <p>17 Q Okay. So from 2000 to 2006 -- I'll ask</p> <p>18 it again to make sure we're on the same page.</p> <p>19 A Okay.</p> <p>20 Q From 2000 to 2006, if at your New Castle</p> <p>21 facility you identified a suspicious order, did</p> <p>22 you -- were you under the understanding it was</p> <p>23 okay to ship that order?</p> <p>24 MR. COLLINS: Objection to the use of</p>	<p style="text-align: right;">Page 53</p> <p>1 period.</p> <p>2 From '07 to present, at the distribution</p> <p>3 center level, there was -- there was and is a</p> <p>4 responsibility to thoroughly investigate and</p> <p>5 review threshold change requests, right?</p> <p>6 MR. COLLINS: Objection. Form, calls</p> <p>7 for a legal conclusion, foundation.</p> <p>8 THE WITNESS: The threshold change</p> <p>9 requests were handled by -- we did the independent</p> <p>10 in the distribution center from 2006 to '7, and</p> <p>11 then the national accounts handled the thresholds</p> <p>12 for national accounts, and sometimes we did the</p> <p>13 hospitals also or long-term care.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q Okay. You recall my question?</p> <p>16 A Did I review thresholds was I thought</p> <p>17 your question.</p> <p>18 Q Thoroughly investigate and review --</p> <p>19 MR. COLLINS: Objection.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q -- from '07 to 2018.</p> <p>22 MR. COLLINS: Objection. Form,</p> <p>23 argumentative, calls for a legal conclusion,</p> <p>24 foundation.</p>



<p style="text-align: right;">Page 54</p> <p>1 THE WITNESS: I did not thoroughly  2 investigate all, and I mentioned the national  3 accounts and some of the hospitals.  4 BY MR. BOGLE:  5 Q Okay. So you mentioned independent  6 pharmacies, I think, were within the distribution  7 center purview when it comes to threshold change  8 requests, right?  9 A Yes.  10 Q Okay. So when I asked you about  11 thoroughly investigating and reviewing threshold  12 change requests, certainly for any pharmacy that  13 was within the DC's responsibility, you would  14 thoroughly investigate and review those, right?  15 MR. COLLINS: Objection to form. Calls  16 for a legal conclusion.  17 THE WITNESS: I think you're twisting  18 it. I said "independent," and it's kind of coming  19 out national and the hospital, and I didn't always  20 investigate those because we had national accounts  21 and hospital experts, and the DRAs did those.  22 BY MR. BOGLE:  23 Q I'm just asking as to any accounts that  24 you were responsible for reviewing at the</p>	<p style="text-align: right;">Page 56</p> <p>1 right?  2 A Yes.  3 Q Okay. And you would agree that during  4 that time period, you, as a distribution center,  5 had to be proactive in carrying out that  6 responsibility, right?  7 MR. COLLINS: Objection to the form,  8 vague, calls for a legal conclusion.  9 THE WITNESS: I'm always trying to be  10 proactive in all the business dealings and  11 everything I do. That's kind of a general  12 statement, but I hope I'm proactive.  13 BY MR. BOGLE:  14 Q And you understood that's what was  15 expected of your distribution center and all  16 distribution centers by the DEA, right?  17 MR. COLLINS: Objection. Foundation,  18 form, vague.  19 THE WITNESS: Well, I understand my  20 distribution center, it was based on "know your  21 customer," and -- and I did that.  22 BY MR. BOGLE:  23 Q And the "know your customer" program is  24 part of being proactive in trying to prevent</p>
<p style="text-align: right;">Page 55</p> <p>1 distribution center level, would you thoroughly  2 investigate and review those threshold change  3 requests?  4 A Yes.  5 Q Okay. And you understand that was part  6 of your responsibility, right?  7 A Yes.  8 Q Okay. And you understand from the New  9 Castle's perspective from 2000 to 2018 that your  10 distribution center had a responsibility not just  11 to monitor but to also prevent diversion of  12 opioids, right?  13 MR. COLLINS: Objection. Form. Legal  14 conclusion.  15 THE WITNESS: We prevented diversion of  16 all our controlled substances.  17 BY MR. BOGLE:  18 Q You knew that was your responsibility,  19 right?  20 A Can you repeat the question? I --  21 Q Right. From 2000 to 2018, you knew at  22 all times that your distribution center had  23 responsibility for not just monitoring but also  24 preventing diversion of controlled substances,</p>	<p style="text-align: right;">Page 57</p> <p>1 diversion, right? Getting out there and getting  2 to know your customer, completing questionnaires  3 and knowing what activities your customer was  4 engaged in, right?  5 A As much as possible, yes.  6 Q And you have an understanding that  7 diversion of controlled substances, including  8 opioids, can be prevented by way of compliance  9 with the Controlled Substances Act, right?  10 MR. COLLINS: Objection. Form, calls  11 for a legal conclusion.  12 THE WITNESS: I think it helps.  13 BY MR. BOGLE:  14 Q Okay. So would you agree that if New  15 Castle complies with the Controlled Substances  16 Act, that goes a long way in preventing diversion  17 of opioids, right?  18 MR. COLLINS: Objection to the form,  19 vague, calls for a legal conclusion.  20 THE WITNESS: I think it helps.  21 BY MR. BOGLE:  22 Q Do you agree there is currently an  23 opioid epidemic in this country?  24 A Yes.</p>

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1 Q And do you agree that the diversion of  
2 controlled substances is a cause of that epidemic?  
3 MR. COLLINS: Objection. Calls for a  
4 legal conclusion. Foundation.  
5 THE WITNESS: You keep using the word  
6 "diversion." In the control of McKesson New  
7 Castle, I believe if there were diversion, that  
8 would not help the opioid crisis.  
9 BY MR. BOGLE:  
10 Q All right. And the opioid crisis that  
11 we are dealing with today, do you understand was  
12 caused, in part, by diversion of controlled  
13 substances?  
14 MR. COLLINS: Objection. Form, calls  
15 for a legal conclusion, lack of foundation.  
16 THE WITNESS: I don't know that.  
17 BY MR. BOGLE:  
18 Q You don't know.  
19 Are you aware that opioid overdoses are  
20 the leading cause of injury-related death in the  
21 United States?  
22 MR. COLLINS: Objection. Form.  
23 THE WITNESS: No, I'm not.  
24 BY MR. BOGLE:

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1 Q Okay. I'm going to hand you what I'm  
2 marking as Exhibit 1.264, also marked as Snider  
3 Exhibit 2.  
4 (Snider Exhibit No. 2 was marked  
5 for identification.)  
6 MR. COLLINS: Thank you.  
7 BY MR. BOGLE:  
8 Q Do you see here, to introduce the  
9 document, at the top it says "E&C, U.S. House of  
10 Representatives, Committee on Energy and  
11 Commerce."  
12 Do you see that?  
13 A Yes.  
14 Q And it's dated May 4, 2018?  
15 A Yes.  
16 Q And do you -- below that it says:  
17 "Regarding hearing entitled 'Combating the Opioid  
18 Epidemic,' examining concerns about distribution  
19 and diversion."  
20 Do you see that?  
21 A Yes.  
22 Q Okay. And if you go to the second page  
23 of this document, the paragraph below the chart  
24 that starts with "The U.S. continues." Do you see

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1 that?  
2 A Yes.  
3 Q It says: "The U.S. continues to  
4 experience an opioid epidemic which has worsened  
5 over the last two decades. Opioid-involved  
6 overdose deaths are the leading cause of injury  
7 death in the U.S. and take the lives of 115  
8 Americans per day."  
9 Do you see that?  
10 A Yes.  
11 Q Have you ever seen or heard of that stat  
12 before?  
13 MR. COLLINS: Objection. Foundation.  
14 THE WITNESS: No.  
15 BY MR. BOGLE:  
16 Q Any reason to dispute that?  
17 MR. COLLINS: Objection. Foundation,  
18 form, asked and answered.  
19 THE WITNESS: I couldn't say.  
20 BY MR. BOGLE:  
21 Q Okay. It goes on to say: "According to  
22 a recent report issued by the Centers for Disease  
23 Control and Prevention, prescription or illicit  
24 opioids were involved in nearly two-thirds of all

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1 drug overdose deaths in the U.S. during 2016, a  
2 27.7 percent increase from 2015."  
3 Do you see that?  
4 A Yes.  
5 Q And it says: "In total, more than  
6 351,000 people have died since 1999 due to an  
7 opioid-involved overdose. The crisis has become  
8 so severe that the average life expectancy  
9 declined in 2016 from the previous year largely  
10 because of opioid overdoses."  
11 Do you see that?  
12 A Yes.  
13 Q Okay. Have you ever heard that before,  
14 that the life expectancy in this country has  
15 declined largely because of opioid overdoses?  
16 MR. COLLINS: Objection. Form,  
17 foundation.  
18 THE WITNESS: No.  
19 BY MR. BOGLE:  
20 Q That's news to you?  
21 MR. COLLINS: Objection. Argumentative.  
22 THE WITNESS: Yes.  
23 BY MR. BOGLE:  
24 Q Let's go back to Exhibit 1 of the Drug

<p style="text-align: right;">Page 62</p> <p>1 Operations Manual. Now, this manual you  2 understand was put in place in the year 2000,  3 right?  4 A Yes.  5 Q Okay. And it existed until 2007, when  6 the Lifestyle Drug Monitoring Program went into  7 place, right?  8 A Yes.  9 Q Okay. And just to finish working  10 through that calendar, the Lifestyle Drug  11 Monitoring Program existed for about a year, from  12 2007 to 2008, right?  13 A Yes.  14 Q Okay. In 2008, McKesson employs the  15 Controlled Substances Monitoring Program, which  16 has existed in some form from 2008 to today,  17 right?  18 A Yes.  19 Q Okay. When you worked at other  20 distribution centers prior to 2000, was there any  21 standard operating procedure in place for the  22 monitoring of controlled substances at McKesson?  23 A I don't remember --  24 Q Okay.</p>	<p style="text-align: right;">Page 64</p> <p>1 Q Okay. And just so we're -- we're  2 speaking the same language here, if you can go in  3 Exhibit 1 to page 0.29.  4 MR. COLLINS: I'm sorry. Can you give  5 that to me again?  6 MR. BOGLE: .29. Should be a number.  7 MR. COLLINS: Where are you reading?  8 MR. BOGLE: .29 is at the top right.  9 MR. COLLINS: Oh, at the top right.  10 MR. BOGLE: Yeah.  11 BY MR. BOGLE:  12 Q Are you there, Mr. Snider?  13 A I can't see it. Can someone help me get  14 that?  15 THE WITNESS: Sorry.  16 MR. COLLINS: That's all right.  17 BY MR. BOGLE:  18 Q We're going to blow it up on the screen  19 here too as much as we can, if that helps. You  20 obviously don't have to utilize the screen, but  21 it's there if you need --  22 A I got it. 1555.29.  23 Q Yes, sir.  24 A Okay.</p>
<p style="text-align: right;">Page 63</p> <p>1 A -- in the North Canton or Cincinnati.  2 Q Okay.  3 A We thought of diversion as loss within  4 the distribution center, doctor adulteration or  5 that kind of thing.  6 Q So prior to 2000 when you worked at  7 other distribution centers, the notion of  8 individuals abusing opioids was not something that  9 was a consideration from diversion; is that true?  10 A Hadn't really heard much about it that I  11 knew of.  12 Q Okay. Now, the Drug Operations Manual  13 and the portions that pertained to controlled  14 substances, it was mandatory for McKesson  15 employees, including yourself, to comply with all  16 aspects of that manual, correct?  17 A Yes.  18 Q Now, during the time that -- from 2000  19 to 2007, would the New Castle Distribution Center  20 receive what were called suspicious order warning  21 reports?  22 A Yes. It was either unusual purchase  23 order reports or suspicious, I don't remember  24 which.</p>	<p style="text-align: right;">Page 65</p> <p>1 Q So I just want to make sure we're  2 speaking the same language as far as terms, and  3 we'll talk in more detail about these in a minute.  4 But you see in the middle of the page, a  5 little past the middle, there's a letter C, and it  6 says: "Daily Controlled Substance Suspicious  7 Order Warning Report," and it's referred to as  8 DU45L500.  9 A Yes.  10 Q Do you see that?  11 A Yes, I do.  12 Q Okay. So you understand from 2000 to  13 2007, that was one of the reports that you would  14 have received at your distribution center, right?  15 A Yes.  16 Q Okay. And if you go to the next page,  17 letter -- letter D refers to a "Monthly Controlled  18 Substance Suspicious Purchases Report," also  19 DU45L, this time 650. Do you see that?  20 A Yes.  21 Q Okay. That again would be another  22 report that you would have received at your  23 distribution center during the 2000 to '07 time  24 period, right?</p>

<p style="text-align: right;">Page 66</p> <p>1 A Yes.</p> <p>2 Q Okay. And do I understand correctly</p> <p>3 that reports -- or strike that.</p> <p>4 Do I understand correctly that orders</p> <p>5 would show up as -- on these suspicious order</p> <p>6 warning reports if the orders were three times the</p> <p>7 value that you would see from customers in your</p> <p>8 distribution center?</p> <p>9 MR. COLLINS: Objection. Vague.</p> <p>10 THE WITNESS: I don't remember at this</p> <p>11 time how many times it was, but they did -- orders</p> <p>12 did show up for a certain number of above a norm.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q Okay. So go back to page .29, and I'm</p> <p>15 in letter c.</p> <p>16 And in that first paragraph, again we</p> <p>17 read the title of the report. It says: "When an</p> <p>18 order is entered through the central system (EOE</p> <p>19 or CRT), controlled substance items are extracted</p> <p>20 (after passing through front end order processing)</p> <p>21 and compared in a subroutine to the purchases</p> <p>22 month-to-date by customer/customer average</p> <p>23 purchases, average purchases by customer class and</p> <p>24 product."</p>	<p style="text-align: right;">Page 68</p> <p>1 A I would think. I'm not sure.</p> <p>2 Q Okay.</p> <p>3 A If -- if it's in here, I would -- I</p> <p>4 would agree with it.</p> <p>5 Q Well, let me ask you this: During the</p> <p>6 2000 to 2007 time period, were there any other</p> <p>7 reports that you would have reviewed to determine</p> <p>8 whether an order was potentially suspicious for a</p> <p>9 controlled substance, other than these two reports</p> <p>10 we talked about?</p> <p>11 MR. COLLINS: Objection. Vague, form.</p> <p>12 THE WITNESS: No, not a report. I just</p> <p>13 remember the daily one.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q I'm sorry. I don't think I understand.</p> <p>16 A The daily report and the monthly.</p> <p>17 Q Right, right.</p> <p>18 A And then we reported all ARCOS</p> <p>19 transmissions also.</p> <p>20 Q Right. And we'll get to that.</p> <p>21 But as far as reports go, we've talked</p> <p>22 about the daily and monthly suspicious order</p> <p>23 reports. Those would be the two reports you would</p> <p>24 utilize from 2000 to 2007 to potentially detect</p>
<p style="text-align: right;">Page 67</p> <p>1 And then it goes on and says: "The same</p> <p>2 factors that are used for the customer recap</p> <p>3 variance," and it references this -- the report,</p> <p>4 "are also used for the daily controlled substance</p> <p>5 suspicious order warning report," and then it</p> <p>6 says: "3X monthly average for Schedule II and III</p> <p>7 reportables and 8X monthly averages for IIIN to</p> <p>8 Schedule V."</p> <p>9 Do you see that?</p> <p>10 A Yes.</p> <p>11 Q Okay. So, first of all, opioid</p> <p>12 products have always been either Schedule II or</p> <p>13 Schedule III, right?</p> <p>14 A Yes.</p> <p>15 Q Okay. So does this refresh your</p> <p>16 recollection that when it comes to the suspicious</p> <p>17 order warning reports you received from 2000 to</p> <p>18 2007, a customer would show up on that report if</p> <p>19 they were at three times the monthly average for</p> <p>20 other customers at your distribution center?</p> <p>21 A Yes.</p> <p>22 Q Okay. And that was true for the -- for</p> <p>23 the monthly report as well. That was the same</p> <p>24 criteria that was used, right?</p>	<p style="text-align: right;">Page 69</p> <p>1 suspicious orders, right?</p> <p>2 A Yes.</p> <p>3 Q Okay. Now, when a customer showed up on</p> <p>4 the suspicious order warning report from 2000 to</p> <p>5 2007, it was McKesson's practice at New Castle to</p> <p>6 still ship those orders, right?</p> <p>7 MR. COLLINS: Objection. Form, asked</p> <p>8 and answered.</p> <p>9 THE WITNESS: Yes.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q And going back to Exhibit 1, I'm at page</p> <p>12 .30 now. About two-thirds of the way down the</p> <p>13 page, there's a big B that says "Reporting." Do</p> <p>14 you see that?</p> <p>15 A Yes.</p> <p>16 Q Okay. And below that it says: "With</p> <p>17 the release of the daily controlled substance</p> <p>18 suspicious order warning report, there are several</p> <p>19 significant advantages to enhance our compliance</p> <p>20 efforts."</p> <p>21 And I'm looking -- the second paragraph</p> <p>22 below that, it says: "It does not rely on an</p> <p>23 individual's judgment or knowledge to determine</p> <p>24 reporting appropriateness but, rather, on</p>

<p style="text-align: right;">Page 70</p> <p>1 statistical fact."</p> <p>2 Do you see that?</p> <p>3 A Is that -- I'm sorry. I --</p> <p>4 MR. COLLINS: I don't see it.</p> <p>5 THE WITNESS: I did not see that.</p> <p>6 MR. COLLINS: Where are you? I'm sorry.</p> <p>7 THE WITNESS: Oh, you skipped down to</p> <p>8 the last paragraph in B?</p> <p>9 MR. BOGLE: Correct.</p> <p>10 MR. COLLINS: Okay. Neither he or I</p> <p>11 knew where you were quoting from.</p> <p>12 THE WITNESS: Yes, I see that.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q Okay. So, and -- and what's being</p> <p>15 referred to there is the suspicious order warning</p> <p>16 report, the benefit of that was felt to be that if</p> <p>17 you were at three times the average and you showed</p> <p>18 up on the report, it would not require judgment to</p> <p>19 assess whether those reports needed to be provided</p> <p>20 to the DEA, right?</p> <p>21 MR. COLLINS: Objection. Form.</p> <p>22 Mischaracterization.</p> <p>23 THE WITNESS: They were sent, yes.</p> <p>24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 72</p> <p>1 Q Okay. So there were blocked order</p> <p>2 reports provided to us in this litigation -- and</p> <p>3 we can talk about it in more detail later, but I</p> <p>4 want to make sure of your understanding first --</p> <p>5 that tend to indicate that from New Castle, at</p> <p>6 least for pharmacies in Summit and Cuyahoga</p> <p>7 County, that there were no reports provided to the</p> <p>8 DEA of blocked orders until August of 2013.</p> <p>9 Is that your understanding?</p> <p>10 MR. COLLINS: Objection.</p> <p>11 THE WITNESS: No.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Okay. It's your understanding that you</p> <p>14 provided blocked order reports to the DEA --</p> <p>15 A I --</p> <p>16 Q -- prior to that?</p> <p>17 A I don't know a blocked order report.</p> <p>18 I'm sorry.</p> <p>19 Q That's how it was phrased and how it was</p> <p>20 given to us. You never heard of that term?</p> <p>21 A No.</p> <p>22 Q Okay. When you decided not to ship an</p> <p>23 order to a customer, reports were not provided to</p> <p>24 the DEA along those lines until about August 2013</p>
<p style="text-align: right;">Page 71</p> <p>1 Q Okay.</p> <p>2 A The judgment was, yes, to send the</p> <p>3 report.</p> <p>4 Q Okay. And the reports were sent, but as</p> <p>5 we talked about, the orders were sent as well,</p> <p>6 right?</p> <p>7 A Yes.</p> <p>8 Can I add something to that?</p> <p>9 Q Go ahead.</p> <p>10 A The orders sometimes were marked down</p> <p>11 and not completely sent, if we felt it was</p> <p>12 suspicious and we could check on that. For</p> <p>13 instance, customers may order 33 of something, and</p> <p>14 it would show up on the report, and they had -- we</p> <p>15 called them fat fingers, and it was just three,</p> <p>16 and we knew that because we knew the customer.</p> <p>17 Q Okay. That's a -- that's a policy</p> <p>18 that's been changed, though, right? You can't</p> <p>19 modify orders --</p> <p>20 A Right.</p> <p>21 Q -- from the forms anymore, right?</p> <p>22 A Right, back then. So we'd sign off on</p> <p>23 the report and look at it, and if there were</p> <p>24 errors on it, that we did mark down.</p>	<p style="text-align: right;">Page 73</p> <p>1 as it pertains to New Castle's customers in Summit</p> <p>2 and Cuyahoga County, right?</p> <p>3 MR. COLLINS: Objection. Foundation.</p> <p>4 THE WITNESS: No.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q That's not right?</p> <p>7 A No.</p> <p>8 Q Okay. Actually, strike that. We'll</p> <p>9 come back to that later.</p> <p>10 Do you recall getting information from</p> <p>11 the DEA in 2006 stating that if a suspicious order</p> <p>12 was detected that it should not be shipped and</p> <p>13 should be reported to the DEA?</p> <p>14 MR. COLLINS: Objection. Form.</p> <p>15 THE WITNESS: I don't remember that,</p> <p>16 2006.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q I'm going to hand you what I'm marking</p> <p>19 as Exhibit 1.1464, also marked as Exhibit 3.</p> <p>20 (Snider Exhibit No. 3 was marked</p> <p>21 for identification.)</p> <p>22 BY MR. BOGLE:</p> <p>23 Q This is a letter from the U.S.</p> <p>24 Department of Justice, Drug Enforcement</p>



<p style="text-align: right;">Page 74</p> <p>1 Administration, September 27, 2006.</p> <p>2 Do you see that?</p> <p>3 A Yes.</p> <p>4 Q Okay. Have you ever seen this letter</p> <p>5 before?</p> <p>6 A No, I haven't.</p> <p>7 Q You have not. Okay.</p> <p>8 Communications from the DEA regarding</p> <p>9 your responsibilities at New Castle, do those</p> <p>10 generally not make their way to you?</p> <p>11 MR. COLLINS: Objection. Assumes facts</p> <p>12 not in evidence, argumentative, foundation, form.</p> <p>13 THE WITNESS: Yes, they made their way</p> <p>14 to us, and we would adopt -- adapt the manual and</p> <p>15 follow the SOPs and new procedures.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q Okay. But you've never seen this</p> <p>18 letter?</p> <p>19 A No, I'm sorry, I don't remember seeing</p> <p>20 it.</p> <p>21 Q Well, let me ask you about a couple of</p> <p>22 things in here.</p> <p>23 To start, it says: "This letter is</p> <p>24 being sent to every commercial entity in the</p>	<p style="text-align: right;">Page 76</p> <p>1 A Yes.</p> <p>2 Q Do you agree with that statement?</p> <p>3 MR. COLLINS: Objection. Form.</p> <p>4 Foundation.</p> <p>5 THE WITNESS: Yes.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q It says: "This responsibility is</p> <p>8 critical as Congress has expressly declared that</p> <p>9 the illegal distribution of controlled substances</p> <p>10 has a substantial and detrimental effect on the</p> <p>11 health and general welfare of the American</p> <p>12 people."</p> <p>13 Do you see that?</p> <p>14 A Yes.</p> <p>15 Q If you go to the second page here, I'm</p> <p>16 about three-quarters of the way down the page, the</p> <p>17 paragraph starting with "Thus." Do you see that?</p> <p>18 A Yes.</p> <p>19 Q It says: "Thus, in addition to</p> <p>20 reporting all suspicious orders, a distributor has</p> <p>21 a statutory responsibility to exercise due</p> <p>22 diligence to avoid filling suspicious orders that</p> <p>23 might be diverted into other than legitimate</p> <p>24 medical, scientific and industrial channels."</p>
<p style="text-align: right;">Page 75</p> <p>1 United States registered with the Drug Enforcement</p> <p>2 Administration to distribute controlled</p> <p>3 substances. The purpose of this letter is to</p> <p>4 reiterate the responsibilities of controlled</p> <p>5 substance distributors in view of the prescription</p> <p>6 drug abuse problem our nation currently faces."</p> <p>7 Do you see that?</p> <p>8 A Yes.</p> <p>9 Q Okay. And then the third paragraph on</p> <p>10 the first page which starts with "Distributors</p> <p>11 are," do you see that sentence? It's the second</p> <p>12 sentence in that paragraph.</p> <p>13 MR. COLLINS: Third paragraph, the</p> <p>14 second sentence.</p> <p>15 THE WITNESS: Oh, okay.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q It says: "Distributors are of course</p> <p>18 one of the key components of the distribution</p> <p>19 chain. If the closed system is to function</p> <p>20 properly as Congress envisioned, distributors must</p> <p>21 be vigilant in deciding whether a prospective</p> <p>22 customer can be trusted to deliver controlled</p> <p>23 substances only for lawful purposes."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 77</p> <p>1 Do you see that?</p> <p>2 A Yes.</p> <p>3 Q Okay. But in 2006, I think we just</p> <p>4 talked about the fact that when a suspicious order</p> <p>5 was detected at your facility at least, it was</p> <p>6 filled, right?</p> <p>7 MR. COLLINS: Objection. Form,</p> <p>8 foundation.</p> <p>9 THE WITNESS: Not always.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q Okay.</p> <p>12 A I testified that not always. We would</p> <p>13 cut orders down on occasion.</p> <p>14 Q When you thought they had fat fingers.</p> <p>15 I think that was the term you used.</p> <p>16 A Or they -- yeah, or they made a mistake.</p> <p>17 Q Right. But if you thought that they</p> <p>18 were ordering what they were -- intended to order,</p> <p>19 that order was filled, even though you're saying</p> <p>20 that a suspicious order report would have been</p> <p>21 provided to the DEA, right?</p> <p>22 MR. COLLINS: Objection. Form.</p> <p>23 THE WITNESS: If the definition is off</p> <p>24 of that report, three times or the eight times,</p>



<p style="text-align: right;">Page 78</p> <p>1 yes.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Then it would have been filled, right?</p> <p>4 A Yes.</p> <p>5 Q Okay. And this letter from the DEA</p> <p>6 indicates that you shouldn't be filling those kind</p> <p>7 of prescriptions, right?</p> <p>8 MR. COLLINS: Objection.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q If you've identified them as suspicious.</p> <p>11 MR. COLLINS: Objection. Foundation,</p> <p>12 compound, argumentative, calls for a legal</p> <p>13 conclusion.</p> <p>14 THE WITNESS: I don't see it that way.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q You don't think that's what that says?</p> <p>17 A No.</p> <p>18 Q Okay. And the responsibility to avoid</p> <p>19 shipment of orders deemed suspicious by a</p> <p>20 distributor, that policy has always been in effect</p> <p>21 since the Controlled Substances Act was enacted in</p> <p>22 1970, right?</p> <p>23 MR. COLLINS: Objection. Form, assumes</p> <p>24 multiple facts, legal conclusion.</p>	<p style="text-align: right;">Page 80</p> <p>1 MR. COLLINS: Objection.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q In '06.</p> <p>4 MR. COLLINS: Objection. Vague, calls</p> <p>5 for a legal conclusion.</p> <p>6 THE WITNESS: I don't know that.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q Okay. Do you have any disagreement that</p> <p>9 that's what the law required in '06?</p> <p>10 MR. COLLINS: Objection. Calls for</p> <p>11 speculation, legal conclusion, asked and answered.</p> <p>12 THE WITNESS: I have no disagreement</p> <p>13 with that it's -- that it's written there.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q Okay. And would you agree with the</p> <p>16 notion that reporting a suspicious order to the</p> <p>17 DEA and not filling it gives the DEA the</p> <p>18 opportunity to investigate that order without</p> <p>19 having the potential of getting into the public</p> <p>20 for potential diversion?</p> <p>21 MR. COLLINS: Objection, if that's a</p> <p>22 question. Calls for a legal conclusion, it's</p> <p>23 compound, it's vague.</p> <p>24 BY MR. BOGLE:</p>
<p style="text-align: right;">Page 79</p> <p>1 THE WITNESS: I can't say that. 1970,</p> <p>2 I -- I don't know that.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Well, do you think this -- this sentence</p> <p>5 I read to you here about avoiding filling</p> <p>6 suspicious orders was something new that was added</p> <p>7 to the regulations in '06?</p> <p>8 MR. COLLINS: Objection. Calls for a</p> <p>9 hypothetical, speculation.</p> <p>10 THE WITNESS: I don't know.</p> <p>11 MR. COLLINS: Calls for a legal</p> <p>12 conclusion.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q You don't know?</p> <p>15 A No.</p> <p>16 Q And the next paragraph down, the last</p> <p>17 sentence says: "Again, to maintain effective</p> <p>18 controls against diversion, as Section 823(e)</p> <p>19 requires, the distributor should exercise due care</p> <p>20 in confirming the legitimacy of all orders prior</p> <p>21 to filling." Right?</p> <p>22 A Yes.</p> <p>23 Q Okay. And you know that's not a new</p> <p>24 policy either, right?</p>	<p style="text-align: right;">Page 81</p> <p>1 Q You can answer.</p> <p>2 MR. COLLINS: And it calls for</p> <p>3 speculation.</p> <p>4 THE WITNESS: I can't answer to that. I</p> <p>5 don't know.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Okay. Do you think the DEA has the same</p> <p>8 ability to investigate and prevent diversion after</p> <p>9 you've filled the order versus if you hadn't</p> <p>10 filled it at all?</p> <p>11 MR. COLLINS: Objection. Foundation,</p> <p>12 argumentative, compound.</p> <p>13 THE WITNESS: I know in New Castle, we</p> <p>14 had a relationship with the DEA, and I talked to</p> <p>15 them, they called me. At one point the DEA agent</p> <p>16 in charge was my neighbor, so I knew them, and I</p> <p>17 knew if there was a problem, they would let me</p> <p>18 know.</p> <p>19 MR. BOGLE: Move to strike as</p> <p>20 nonresponsive.</p> <p>21 BY MR. BOGLE:</p> <p>22 Q My -- my question simply was, if you</p> <p>23 fill an order that you deem suspicious, then it</p> <p>24 naturally is going to be harder to the DEA to</p>

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1 prevent diversion from that suspicious order as  
2 opposed to if you had reported it and not filled  
3 it at all, right?  
4 MR. COLLINS: Objection. Closing  
5 argument. Assumes facts not in evidence, calls  
6 for speculation, form, compound, vague.  
7 THE WITNESS: I don't know that.  
8 BY MR. BOGLE:  
9 Q You don't know.  
10 A No.  
11 Q Okay. Are you aware that in 2006 the  
12 DEA began investigating McKesson concerning its  
13 diversion practices as it pertains to controlled  
14 substances?  
15 MR. COLLINS: Objection. Form,  
16 foundation.  
17 THE WITNESS: I'm aware now. Yes.  
18 BY MR. BOGLE:  
19 Q When you say "now," when did you become  
20 aware of that?  
21 A I'm not sure.  
22 Q Okay. What -- what caused you to become  
23 aware of that?  
24 A McKesson. My bosses.

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1 Q Okay. Do you have any idea what year  
2 even you were made aware of that?  
3 A No, I'm not sure. I can't remember.  
4 Q Okay. I'm going to hand you what I'm  
5 marking as Exhibit 1.1830, Exhibit 4 to your  
6 deposition.  
7 (Snider Exhibit No. 4 was marked  
8 for identification.)  
9 MR. COLLINS: Thank you.  
10 BY MR. BOGLE:  
11 Q And you see this is a PowerPoint titled  
12 "Lifestyle Drugs and Internet Pharmacies" from the  
13 National Operations Conference 2007. Do you see  
14 that?  
15 A Yes.  
16 Q And the author is noted to be Donald  
17 Walker, Senior Vice President, Distribution  
18 Operations, right?  
19 A Yes.  
20 Q Are you familiar with Mr. Walker?  
21 A Yes, I am.  
22 Q And his role in this point in time in  
23 2007 would be to oversee the operations of all the  
24 distribution centers within U.S. pharma, right?

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1 MR. COLLINS: Objection. Foundation,  
2 vague, calls for a legal conclusion.  
3 THE WITNESS: Yeah, operationally.  
4 BY MR. BOGLE:  
5 Q Yeah. And if you go to page .3, the  
6 slide is titled "Public Health Issues," and it  
7 says -- the first bullet point below that says:  
8 "Abuse of prescription drugs has risen 66 percent  
9 since 2000." And the third bullet point says:  
10 "Opioid painkillers kill more than cocaine and  
11 heroin combined."  
12 Do you see that?  
13 A Yes.  
14 Q Is that a statistic you were familiar  
15 with in 2007?  
16 MR. COLLINS: Objection. Form.  
17 THE WITNESS: I -- I was there I believe  
18 at the -- his meeting.  
19 BY MR. BOGLE:  
20 Q Okay. So you would have been made aware  
21 of that statistic at that meeting?  
22 A Yes.  
23 Q Okay. So you were -- you were present  
24 when this was actually presented, this PowerPoint

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1 deck, right?  
2 A I believe so, yes.  
3 Q Okay. Where was it presented?  
4 A At a national meeting, I believe. I  
5 don't know the date -- what's the date here?  
6 Q It just says 2007, I think.  
7 A It would have to be that -- I'd have to  
8 check the date, depending -- I can't remember  
9 where I was.  
10 Q Okay. And if you go to .4, the next  
11 slide says "DEA Focus." And under "Wholesalers,"  
12 it says "DEA Expects." Do you see that?  
13 A Yes.  
14 Q And it says: "We know our customers."  
15 That's the first bullet point.  
16 A Yes.  
17 Q The second bullet point is "Wholesalers  
18 accountable for controlling quantities shipped."  
19 Right?  
20 A Yes.  
21 Q Okay. You understand that concept to  
22 mean the DEA expected you guys to not ship  
23 suspicious orders, right?  
24 MR. COLLINS: Objection.

<p style="text-align: right;">Page 86</p> <p>1 Mischaracterization. Form. Calls for a legal  2 conclusion.  3 THE WITNESS: Right here it talks about  4 knowing our customers. Wholesaler accountable for  5 controlling quantities, and then I remember  6 talking about the internet pharmacies.  7 BY MR. BOGLE:  8 Q Okay. So --  9 A Or the rogue pharmacies that were -- we  10 didn't have any of those.  11 Q It's your understanding that leading up  12 to 2006, that McKesson was not supplying any  13 controlled substances to rogue internet  14 pharmacies?  15 MR. COLLINS: Objection. Form.  16 THE WITNESS: It was my understanding,  17 yes.  18 BY MR. BOGLE:  19 Q Okay. Is that still your understanding?  20 A I don't know that now, no.  21 Q Okay. The last bullet point here under  22 "DEA Expects" says: "5,000 dose units is,  23 quote/unquote, "average." Do you see that?  24 A Okay.</p>	<p style="text-align: right;">Page 88</p> <p>1 right?  2 MR. COLLINS: Objection. Vague.  3 THE WITNESS: I'm not sure I understand.  4 BY MR. BOGLE:  5 Q Let me rephrase it.  6 So in 2007, the Lifestyle Drug  7 Monitoring Program established  8 8,000-dose-unit-a-month thresholds for oxycodone  9 and hydrocodone, right?  10 A Yes.  11 Q Okay. And that's around the same point  12 in time where the DEA, at least what's being  13 conveyed here by Mr. Walker, is that 5,000 dose  14 units is average, right?  15 A Yes.  16 Q Okay. And again, under the Lifestyle  17 Drug Monitoring Program, if a customer exceeded  18 that 8,000 threshold in a month, their orders  19 would not be blocked; they would still be shipped,  20 right?  21 MR. COLLINS: Objection. Compound,  22 lacks foundation, form, speculative.  23 THE WITNESS: I don't remember that, if  24 they were cut off or shipped systematically. I'm</p>
<p style="text-align: right;">Page 87</p> <p>1 Q You see that reference there?  2 A Yeah.  3 Q Okay. And they're talking again about  4 controlled substances, right?  5 A Yes.  6 Q That's what they felt the averages were  7 at that point in time, right?  8 MR. COLLINS: Objection. Foundation.  9 THE WITNESS: Yes.  10 BY MR. BOGLE:  11 Q Okay. And what ends up happening in  12 2007, we mentioned this briefly, is the Lifestyle  13 Drug Monitoring Program comes into place, right?  14 A Yes.  15 Q Okay. And that's the first time in  16 which there are actually thresholds established  17 for, for example, hydrocodone and oxycodone,  18 right?  19 A Yes, that I can recall.  20 Q Okay.  21 A Except for the thresholds on the unusual  22 purchase report.  23 Q Right. But those weren't hard and fast  24 thresholds that were the same across the board,</p>	<p style="text-align: right;">Page 89</p> <p>1 sorry.  2 BY MR. BOGLE:  3 Q Okay.  4 MR. COLLINS: Are you moving on to  5 something else?  6 MR. BOGLE: Yeah.  7 MR. COLLINS: Can we take a short break?  8 We've been going 70 minutes.  9 MR. BOGLE: That's fine.  10 THE VIDEOGRAPHER: The time is 9:42 a.m.  11 We're going off the record.  12 (Recess.)  13 THE VIDEOGRAPHER: The time is 9:55 a.m.  14 We're back on the record.  15 BY MR. BOGLE:  16 Q Okay. Mr. Snider, just to reorient to  17 where we were at, I had asked you whether during  18 the time period that the Lifestyle Drug Monitoring  19 Program was in place, when a customer exceeded the  20 8,000 unit threshold for hydrocodone and  21 oxycodone, that those orders were not blocked  22 thereafter, correct?  23 MR. COLLINS: Objection. Vague.  24 THE WITNESS: I don't remember that.</p>

<p style="text-align: right;">Page 90</p> <p>1 BY MR. BOGLE:</p> <p>2 Q Okay. Now, I'm going to hand you what</p> <p>3 I'm marking as 1.1864, and Exhibit 5 to your</p> <p>4 deposition.</p> <p>5 (Snider Exhibit No. 5 was marked</p> <p>6 for identification.)</p> <p>7 MR. COLLINS: Thank you.</p> <p>8 BY MR. BOGLE:</p> <p>9 Q If you look at the bottom e-mail on the</p> <p>10 first page here, do you see it's an e-mail from</p> <p>11 Diane Martin to several individuals that you're</p> <p>12 cc'd on, right?</p> <p>13 A To Diane, copy Blaine Snider and Brian</p> <p>14 Ferreira, yes.</p> <p>15 Q No, I'm looking at the bottom e-mail on</p> <p>16 the first page, not the top one.</p> <p>17 A Oh. It's from Diane Martin to Lisa,</p> <p>18 Jim, John, and Alex, copy Blaine.</p> <p>19 Q Right. And this is from December 7,</p> <p>20 2007, right?</p> <p>21 A Okay. Yes.</p> <p>22 Q You see that?</p> <p>23 A Yeah.</p> <p>24 Q And the subject is "November LDMP." Do</p>	<p style="text-align: right;">Page 92</p> <p>1 Q -- as a customer that New Castle has</p> <p>2 serviced over time?</p> <p>3 A Yes.</p> <p>4 Q And there is oxycodone referenced there</p> <p>5 as to Franklin Pharmacy. Do you see that?</p> <p>6 A Yes.</p> <p>7 Q And it's noted that on November 13,</p> <p>8 2007, they would have exceeded their threshold for</p> <p>9 oxycodone, right?</p> <p>10 MR. COLLINS: Objection. Foundation.</p> <p>11 THE WITNESS: If I'm -- if I'm reading</p> <p>12 this correctly, number of doses at the end of the</p> <p>13 month, and then 9,733, it looks like -- it looks</p> <p>14 like that's what it says.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q Okay. Let me walk step by step so this</p> <p>17 is clear.</p> <p>18 Just talking about the date first, based</p> <p>19 on this column, which is the column that says</p> <p>20 "Date threshold exceeded," for Franklin Pharmacy,</p> <p>21 it would note on that November 13, 2007, was the</p> <p>22 date that their threshold was exceeded for</p> <p>23 oxycodone, right?</p> <p>24 A Yes.</p>
<p style="text-align: right;">Page 91</p> <p>1 you see that as well?</p> <p>2 A Yes.</p> <p>3 Q Okay. And then there's a list that</p> <p>4 extends a little more than a page of customers at</p> <p>5 New Castle for the month of November 2007 that had</p> <p>6 exceeded their 8,000 unit threshold for</p> <p>7 hydrocodone, oxycodone, and alprazolam.</p> <p>8 Do you see that?</p> <p>9 MR. COLLINS: Objection. Form.</p> <p>10 THE WITNESS: Let me take a look at it</p> <p>11 here. (Peruses document.)</p> <p>12 It looks like that, yes.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q Okay. And I want to look at a couple of</p> <p>15 these customers so we can understand what we're</p> <p>16 seeing here.</p> <p>17 So if you turn to point 2, the second</p> <p>18 page of the document, do you see three customers</p> <p>19 down, there's Franklin Pharmacy HM? Do you see</p> <p>20 that?</p> <p>21 A Yes, I see that.</p> <p>22 Q Are you familiar with Franklin</p> <p>23 Pharmacy --</p> <p>24 A Yes.</p>	<p style="text-align: right;">Page 93</p> <p>1 Q And then the next column says "Number of</p> <p>2 doses on date doses exceeded the limit," and</p> <p>3 there's 97 -- 9,733 doses as of November 13, 2007,</p> <p>4 right, for oxycodone?</p> <p>5 MR. COLLINS: Objection. Foundation.</p> <p>6 THE WITNESS: Yes.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q Okay. And it indicates, the next</p> <p>9 column, "Number of doses at end of month." And</p> <p>10 for Franklin Pharmacy for oxycodone that month,</p> <p>11 it's noted 22,250 doses provided to them by the</p> <p>12 end of the month. Right? That's what this chart</p> <p>13 indicates.</p> <p>14 MR. COLLINS: Objection. Foundation.</p> <p>15 THE WITNESS: It looks like that.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q Okay. So this would indicate as to</p> <p>18 Franklin Pharmacy that in November of 2007, while</p> <p>19 the LDMP was in place, they exceeded their</p> <p>20 threshold, but their orders that exceeded the</p> <p>21 8,000 unit threshold for oxycodone were not</p> <p>22 blocked and went all the way up to 22,250 doses</p> <p>23 for that month, right?</p> <p>24 MR. COLLINS: Objection. Compound.</p>

<p style="text-align: right;">Page 94</p> <p>1 Foundation.</p> <p>2 THE WITNESS: I don't know that they</p> <p>3 weren't blocked, and that a Level II could have</p> <p>4 been done on that customer, which I believe was</p> <p>5 done. I'd have to check on that.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Okay. So if you look at the e-mail</p> <p>8 above that from three days later, December 10,</p> <p>9 2007, the first line pertains to Franklin</p> <p>10 Pharmacy. Do you see that?</p> <p>11 MR. COLLINS: Objection. Foundation.</p> <p>12 THE WITNESS: Yes.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q It says: "Franklin appeared new last</p> <p>15 month for oxycodone. The Level II review is</p> <p>16 almost complete. Blaine got Frank's signature on</p> <p>17 the declaration, and I'm finishing up the survey</p> <p>18 questionnaire."</p> <p>19 Do you see that?</p> <p>20 A Yes.</p> <p>21 Q Okay. So three days after the report we</p> <p>22 just looked at, the Level II for Franklin was not</p> <p>23 yet complete, right?</p> <p>24 MR. COLLINS: Objection. Foundation,</p>	<p style="text-align: right;">Page 96</p> <p>1 disagree that for Franklin Pharmacy, they exceeded</p> <p>2 their threshold on November 13, 2007 for</p> <p>3 oxycodone, and continued to be supplied the drug,</p> <p>4 up to 22,250 doses for that month?</p> <p>5 MR. COLLINS: Objection. Foundation.</p> <p>6 Mischaracterization of prior testimony.</p> <p>7 THE WITNESS: I don't know that they</p> <p>8 didn't have a Level II already done. The DRA had</p> <p>9 looked at it, and they had a new business or</p> <p>10 whatever. I don't know that here.</p> <p>11 MR. BOGLE: Move to strike as</p> <p>12 nonresponsive.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q All I asked you at this point was, what</p> <p>15 this chart indicates is that Franklin Pharmacy</p> <p>16 received 22,250 doses of oxycodone after exceeding</p> <p>17 their threshold on November 13, 2007, right?</p> <p>18 MR. COLLINS: Objection. Foundation,</p> <p>19 argumentative, compound. Mischaracterizes his</p> <p>20 prior answer, which was appropriate.</p> <p>21 THE WITNESS: I don't know. It's what</p> <p>22 you say is on the chart.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q Well, that's what the chart says, right?</p>
<p style="text-align: right;">Page 95</p> <p>1 calls for speculation.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q That's what this says.</p> <p>4 MR. COLLINS: Foundation.</p> <p>5 THE WITNESS: According to Diane.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q It -- and that's actually according to</p> <p>8 Alexandra, right?</p> <p>9 A Or Alex -- Alexandra, yes.</p> <p>10 Q Okay. What did she do at McKesson at</p> <p>11 that point in time? What was her job?</p> <p>12 A Sales.</p> <p>13 Q Okay. When Alexandra said something,</p> <p>14 was it generally accurate?</p> <p>15 MR. COLLINS: Objection. Calls for</p> <p>16 speculation.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q Did you find her to be inaccurate</p> <p>19 frequently in her e-mails?</p> <p>20 MR. COLLINS: Objection. Speculation.</p> <p>21 THE WITNESS: I can't -- I can't respond</p> <p>22 to her accuracy on e-mails.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q Well, do you have any specific reason to</p>	<p style="text-align: right;">Page 97</p> <p>1 MR. COLLINS: Objection. Vague, form.</p> <p>2 THE WITNESS: I don't know that for</p> <p>3 sure.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q You don't know that that's what the</p> <p>6 chart says right here?</p> <p>7 MR. COLLINS: Objection. Foundation.</p> <p>8 THE WITNESS: Yes.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q Yes, you don't know?</p> <p>11 A Yes.</p> <p>12 Q Okay. Have you read charts like these</p> <p>13 before in your job at McKesson?</p> <p>14 A Yes.</p> <p>15 Q Okay. When you got this e-mail in</p> <p>16 December 2007, did you write back and say, What is</p> <p>17 this chart? I don't know what this means?</p> <p>18 MR. COLLINS: Objection. Calls for</p> <p>19 speculation, foundation.</p> <p>20 THE WITNESS: I don't know from 2007.</p> <p>21 BY MR. BOGLE:</p> <p>22 Q Okay. Well, I can tell you I looked,</p> <p>23 and I didn't see any e-mail from you that said, I</p> <p>24 don't understand what this chart means, guys. Can</p>



<p style="text-align: right;">Page 98</p> <p>1 somebody explain this to me? I didn't see an 2 e-mail like that. I'm sure if your counsel has 3 got one, they'll show it to you in his exam. 4 MR. COLLINS: You don't have to answer. 5 That's not a question. 6 BY MR. BOGLE: 7 Q Do you have any reason to testify under 8 oath today that you sent a response saying you 9 don't understand what this chart means? 10 MR. COLLINS: Objection. Argumentative. 11 THE WITNESS: I don't know what it means 12 specifically. I see what it says. 13 BY MR. BOGLE: 14 Q Okay. 15 A I can't remember from 2007. 16 Q And what it says about whether a 17 Level II had been done for Franklin, which is 18 another thing you referenced, is that it was not 19 yet complete as of three days of you receiving 20 this chart in December 2007, right? 21 MR. COLLINS: Lack of foundation as to 22 this entire inquiry. It's not been established 23 what this document means. Given that this one -- 24 this witness wasn't the author of the document.</p>	<p style="text-align: right;">Page 100</p> <p>1 BY MR. BOGLE: 2 Q Okay. Well, let's look at some of the 3 other pharmacies here on this chart. 4 Do you see Mace's Pharmacy on there as 5 well for oxycodone and hydrocodone? 6 A Yes. 7 Q Do you see for hydrocodone, it's noted 8 on this chart that they exceeded their threshold 9 on November 8, 2007, right? 10 MR. COLLINS: Objection. Lack of 11 foundation. 12 THE WITNESS: That's what it says here. 13 BY MR. BOGLE: 14 Q Okay. And it's noted they were provided 15 28,100 doses of hydrocodone that month, right? 16 MR. COLLINS: Objection. Lack of 17 foundation, mischaracterization, assumes facts not 18 in evidence or testified to by this witness. 19 THE WITNESS: It's under "Number of 20 doses at the end of the month." I can't remember 21 if they had exceeded it. 22 BY MR. BOGLE: 23 Q Well, we know the threshold at this 24 point in time would have been 8,000, right?</p>
<p style="text-align: right;">Page 99</p> <p>1 MR. BOGLE: You're not -- you're making 2 speaking objections clearly now. 3 MR. COLLINS: No, this is an entirely 4 improper line of inquiry. 5 MR. BOGLE: It's not. He's on the 6 e-mail. He's saying he doesn't understand it. 7 I'm trying to figure out why he doesn't understand 8 it. 9 MR. COLLINS: Because he didn't write 10 the e-mail. 11 THE WITNESS: I don't know that it 12 wasn't done. 13 BY MR. BOGLE: 14 Q Okay. So -- 15 A If Alex -- you mentioned Alex. I don't 16 know if she was right or not. 17 Q Okay. So -- but do you have any 18 specific reason, as you sit here today, that when 19 she wrote her e-mail on December 10, 2007, saying 20 that the Level II review was not done yet, that 21 she was wrong? 22 MR. COLLINS: Objection. Calls for 23 speculation. 24 THE WITNESS: I don't know that.</p>	<p style="text-align: right;">Page 101</p> <p>1 A Yes. 2 Q Okay. And so 28,100 is more than 8,000, 3 right? 4 A Yes. 5 Q Okay. And we know that's how much they 6 got that month per this chart, right? 7 MR. COLLINS: Objection. 8 BY MR. BOGLE: 9 Q "Number of doses at end of month," 10 that's what that means, doesn't it? 11 MR. COLLINS: Objection. Lack of 12 foundation. This witness hasn't testified to 13 firsthand knowledge as to what this chart means. 14 BY MR. BOGLE: 15 Q I'm asking you, that's what that means, 16 doesn't it? 17 MR. COLLINS: Same objection, and lack 18 of foundation. 19 THE WITNESS: I don't know that. 20 BY MR. BOGLE: 21 Q You don't know if that's what that 22 means? 23 A Correct. 24 Q You have no idea what "Number of doses</p>



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1 at end of month" means?  
2 MR. COLLINS: Objection. Foundation.  
3 THE WITNESS: Yes. Yes.  
4 BY MR. BOGLE:  
5 Q Yes what?  
6 A I don't know what that means.  
7 Q Okay. Do you have any understanding of  
8 what it could possibly mean other than that's how  
9 many doses they got that month?  
10 A I don't know if that means there was a  
11 Level II done or --  
12 Q That's not my question, sir.  
13 MR. COLLINS: He's -- I'm sorry.  
14 MR. BOGLE: Not my question.  
15 MR. COLLINS: The witness is entitled to  
16 respond.  
17 Please finish your answer, Mr. Snider.  
18 THE WITNESS: I don't know that a  
19 Level II was done. I don't know -- I don't have  
20 the information about the account. If Mace's got  
21 long-term care facilities, if they had a hospital  
22 account connected to it, I don't know that.  
23 MR. BOGLE: Move to strike as  
24 nonresponsive.

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1 BY MR. BOGLE:  
2 Q My only question, sir, was that Mace's  
3 Pharmacy for hydrocodone, based on this chart,  
4 received 28,100 doses by the end of the month.  
5 True or false?  
6 MR. COLLINS: Objection. Assumes facts  
7 not in evidence. It's certainly not testified to  
8 by this witness, and this witness has clearly  
9 stated he has no firsthand knowledge about the  
10 chart.  
11 THE WITNESS: False. I don't know that  
12 for sure.  
13 BY MR. BOGLE:  
14 Q Okay. Do you see Town & Country on  
15 there as well, Town & Country Pharmacy?  
16 A Yes.  
17 Q It's noted per this chart that for  
18 hydrocodone, they exceeded their threshold  
19 November 12, 2007, right?  
20 MR. COLLINS: Assumes facts not in  
21 evidence, mischaracterization of the document.  
22 THE WITNESS: That's what the chart  
23 says.  
24 BY MR. BOGLE:

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1 Q And under the column "Number of doses at  
2 end of month," it says what, sir?  
3 A 8,700.  
4 Q For hydrocodone, Town & Country?  
5 A 12,017.  
6 Q I think you're looking at Troutman.  
7 A Oh, I'm sorry.  
8 Q Do you see where it says 28,900 --  
9 A I -- I apologize. If you'll slow down a  
10 little bit.  
11 Did you say Town -- Town & Country  
12 you're looking at?  
13 Q Yes, sir.  
14 A Okay. What -- what's the question  
15 again?  
16 Q For the column "Number of doses at end  
17 of month," what is the number for hydrocodone for  
18 Town & Country Pharmacy?  
19 A 28,932.  
20 Q What is the number for oxycodone for  
21 Town & Country Pharmacy for that month?  
22 A 15,783.  
23 Q And you don't have any reason to dispute  
24 these are all customers serviced by New Castle, do

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1 you?  
2 A No.  
3 Q Okay.  
4 A I know those customers. I actually  
5 visited those customers.  
6 Q Okay. And for any of these customers,  
7 if McKesson at New Castle wanted to block those  
8 orders, that was within your authority to do so,  
9 right?  
10 MR. COLLINS: Objection. Calls for  
11 speculation, legal conclusion.  
12 THE WITNESS: Can you repeat the  
13 question, please?  
14 BY MR. BOGLE:  
15 Q Sure. If you wanted to block the orders  
16 for any of these pharmacies we just talked about,  
17 Town & Country, Franklin's, Mace's, for the month  
18 of November 2007, after they got over 8,000 doses,  
19 that was within your authority as director of  
20 operations to say, no more for them that month,  
21 right? You're not getting any more.  
22 MR. COLLINS: Objection.  
23 BY MR. BOGLE:  
24 Q You could have done that, true?

<p style="text-align: right;">Page 106</p> <p>1 MR. COLLINS: Object --</p> <p>2 THE WITNESS: I believe I did it --</p> <p>3 MR. COLLINS: I'm sorry.</p> <p>4 THE WITNESS: Sorry.</p> <p>5 MR. COLLINS: Please let me make my</p> <p>6 objection.</p> <p>7 The question was compound in multiple</p> <p>8 ways, and it's vague.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q You had authority to stop any of the</p> <p>11 pharmacies we just talked about from getting more</p> <p>12 than 8,000 doses in November 2007, true?</p> <p>13 A Yes.</p> <p>14 Q Okay. Because as director of</p> <p>15 operations, the license given to McKesson for New</p> <p>16 Castle to distribute controlled substances is</p> <p>17 ultimately your responsibility to keep, right?</p> <p>18 A Yes.</p> <p>19 Q Right?</p> <p>20 A And I knew those customers, and actually</p> <p>21 visited those customers and did threshold visits.</p> <p>22 MR. BOGLE: Move to strike everything</p> <p>23 after "yes."</p> <p>24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 108</p> <p>1 BY MR. BOGLE:</p> <p>2 Q Let me ask you this: If you had</p> <p>3 concerns about controlled substances going, and</p> <p>4 specifically opioids, going to a New Castle</p> <p>5 customer from 2000 to 2018, it was, first of all,</p> <p>6 your responsibility to raise that concern, right?</p> <p>7 MR. COLLINS: Objection. Compound.</p> <p>8 Assumes facts not in evidence.</p> <p>9 THE WITNESS: Yes.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q Okay. You knew that was your job,</p> <p>12 right?</p> <p>13 A Yes.</p> <p>14 Q Okay. And ultimately, if you raised</p> <p>15 that concern, you were in a position of management</p> <p>16 at the DC when you did so, right?</p> <p>17 A Yes.</p> <p>18 Q Okay. You're somebody that people</p> <p>19 listen to, right?</p> <p>20 A I can't answer that. I don't know.</p> <p>21 Q You don't know if people listen to you?</p> <p>22 A I'm sure they do. Some do, some don't.</p> <p>23 Q Okay. As to Franklin's Pharmacy, for</p> <p>24 example, you never stood up and said, I don't -- I</p>
<p style="text-align: right;">Page 107</p> <p>1 Q That was within your authority, true?</p> <p>2 MR. COLLINS: Objection. Asked and</p> <p>3 answered.</p> <p>4 THE WITNESS: Yes.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Okay. And the same is true from 2008 --</p> <p>7 2000 to 2018, if at any point in time you had a</p> <p>8 concern as director of operations about opioids</p> <p>9 being supplied to a customer for New Castle, you</p> <p>10 had the ultimate authority to say, They're not</p> <p>11 getting these pills, true?</p> <p>12 MR. COLLINS: Objection. Vague. Calls</p> <p>13 for a legal conclusion.</p> <p>14 THE WITNESS: No.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q You couldn't stand up and say, I'm</p> <p>17 against this. I don't want them getting these</p> <p>18 pills. This is my license. I have control over</p> <p>19 this distribution center?</p> <p>20 MR. COLLINS: Objection. Incomplete</p> <p>21 hypothetical to a fact witness.</p> <p>22 THE WITNESS: You -- you asked about</p> <p>23 ultimate authority. I'm sorry. Can you define</p> <p>24 that?</p>	<p style="text-align: right;">Page 109</p> <p>1 don't want these people getting more opioids from</p> <p>2 my distribution center, did you?</p> <p>3 A Yes.</p> <p>4 Q You did?</p> <p>5 A Yes.</p> <p>6 Q Okay. When was that?</p> <p>7 A I don't recall the time.</p> <p>8 Q Okay.</p> <p>9 A But, yes, Frank Manios was not able to</p> <p>10 get any more opiates.</p> <p>11 Q But that wasn't at your direction, was</p> <p>12 it?</p> <p>13 A Yes, it was.</p> <p>14 Q Okay. All right. We'll take a look at</p> <p>15 that momentarily then.</p> <p>16 A Okay.</p> <p>17 Q For Mace's, you could have stood up at</p> <p>18 any point in time and said, No more oxycodone or</p> <p>19 hydrocodone for you, Mace's. I think that what</p> <p>20 you're doing is suspicious. Right? You had that</p> <p>21 authority.</p> <p>22 A Yes.</p> <p>23 Q Okay. Let's go back to Exhibit 1.1830,</p> <p>24 I think it's Exhibit 4 to the deposition. We were</p>

<p style="text-align: right;">Page 110</p> <p>1 talking about this --</p> <p>2 MR. COLLINS: I'm sorry, hold on a</p> <p>3 second.</p> <p>4 MR. BOGLE: Yeah, it's the PowerPoint</p> <p>5 deck you have right next to you, the Lifestyle</p> <p>6 Drug.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q We were talking about this a few moments</p> <p>9 ago. I want to go to page .7 in this slide deck.</p> <p>10 It's noted here, the slide is titled</p> <p>11 "Lifestyle Drug Monitoring Program," and it says</p> <p>12 "Focus on four drugs." Do you see that?</p> <p>13 A Yes.</p> <p>14 Q Two of those four drugs that were the</p> <p>15 focus in the Lifestyle Drug Monitoring Program</p> <p>16 were hydrocodone and oxycodone, right?</p> <p>17 A Yes, I believe so.</p> <p>18 Q Okay. And the third bullet point, we</p> <p>19 talked about this a little bit, established</p> <p>20 threshold for excessive quantities, 8,000 dose</p> <p>21 units. Do you see that?</p> <p>22 A Yes.</p> <p>23 Q And that threshold was established for</p> <p>24 all customers as it pertained to hydrocodone and</p>	<p style="text-align: right;">Page 112</p> <p>1 first of all, the distribution center management,</p> <p>2 including yourself, right?</p> <p>3 A Yes.</p> <p>4 Q Okay. And that included going out and</p> <p>5 visiting the customer and sometimes having a</p> <p>6 questionnaire completed by them, right?</p> <p>7 A Well, Level I was the visit that I would</p> <p>8 do. Level II was usually done by a DRA and the</p> <p>9 salesperson.</p> <p>10 Q Okay. So you weren't involved in the</p> <p>11 Level II reviews at all under the lifestyle drug</p> <p>12 management program?</p> <p>13 A Not that I recall.</p> <p>14 Q Okay. What about under the CSMP,</p> <p>15 Level IIs?</p> <p>16 A I don't think so.</p> <p>17 Q Okay. Just Level I is your testimony is</p> <p>18 all you would have been involved in?</p> <p>19 A That's all I remember.</p> <p>20 Q Okay. And you were also involved in</p> <p>21 reviewing threshold request increases and signing</p> <p>22 off on those if you felt appropriate, right?</p> <p>23 MR. COLLINS: Objection to form, to the</p> <p>24 word "signing off," vague, calls for a legal</p>
<p style="text-align: right;">Page 111</p> <p>1 oxycodone, right?</p> <p>2 MR. COLLINS: Objection. Form, vague.</p> <p>3 THE WITNESS: Yes.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q Okay. And the next bullet point says:</p> <p>6 "Thorough due diligence of customers exceeding</p> <p>7 threshold." Do you see that?</p> <p>8 A Yes.</p> <p>9 Q Okay. And that due diligence was done</p> <p>10 through a sort of three-level process, right?</p> <p>11 A As I recall.</p> <p>12 Q Okay. For example, Level I, when a</p> <p>13 customer exceeded the threshold, a Level I review</p> <p>14 meant you kind of -- "you" meaning the management</p> <p>15 of the distribution center was responsible for</p> <p>16 evaluating that customer to assess whether you</p> <p>17 thought the orders were suspicious, right?</p> <p>18 MR. COLLINS: Objection. Form.</p> <p>19 THE WITNESS: Yes.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. And then if you -- it was</p> <p>22 inconclusive, you went to Level II, right?</p> <p>23 A Yes.</p> <p>24 Q Okay. And at Level II, that involved,</p>	<p style="text-align: right;">Page 113</p> <p>1 conclusion.</p> <p>2 THE WITNESS: I would push it up to the</p> <p>3 director of Regulatory Affairs, yes, for their</p> <p>4 review.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q But ultimately on many of the threshold</p> <p>7 requests -- strike that.</p> <p>8 On the threshold request approvals, the</p> <p>9 DRA, the regulatory individual, and yourself or</p> <p>10 somebody you designated at your distribution</p> <p>11 center, would sign off on those threshold</p> <p>12 increases for anything that went out of New</p> <p>13 Castle, right?</p> <p>14 MR. COLLINS: Objection to the use of</p> <p>15 the term "sign off." Form.</p> <p>16 THE WITNESS: I wanted to make clear if</p> <p>17 I sign off, it's to go to the director of</p> <p>18 Regulatory Affairs. That's what "sign off" meant</p> <p>19 to me.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q But your authority had to matter too,</p> <p>22 right? You would sign -- literally sign those</p> <p>23 forms too, right?</p> <p>24 MR. COLLINS: Objection. Form,</p>

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1 foundation.  
 2 THE WITNESS: I would sign off to  
 3 proceed to send it to the director of Regulatory  
 4 Affairs --  
 5 BY MR. BOGLE:  
 6 Q And if --  
 7 A -- and ask for their expertise.  
 8 Q And if you thought that, based on your  
 9 expertise and review, that a threshold increase  
 10 was not appropriate, you would not put your  
 11 signature on that, would you?  
 12 A Not necessarily.  
 13 Q Well, would you sign threshold  
 14 increase -- to approve threshold increases in  
 15 situations where you felt that was not  
 16 appropriate?  
 17 MR. COLLINS: Objection to the term  
 18 "approve."  
 19 THE WITNESS: I would send it up to the  
 20 correct -- the director of Regulatory Affairs for  
 21 their expertise.  
 22 BY MR. BOGLE:  
 23 Q Okay. But you would actually sign these  
 24 forms too, right?

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1 A Yes.  
 2 Q Okay. And so in signing that form, that  
 3 requires you to literally put your signature on  
 4 the page approving that request, right?  
 5 MR. COLLINS: Objection.  
 6 BY MR. BOGLE:  
 7 Q From your perspective.  
 8 MR. COLLINS: Objection.  
 9 Mischaracterization. It's been asked and  
 10 answered.  
 11 THE WITNESS: From my perspective, it  
 12 was clear I was submitting it to the director of  
 13 Regulatory Affairs so they could review it and do  
 14 the proper due diligence on usually a Level II.  
 15 BY MR. BOGLE:  
 16 Q So if we see your signature on any  
 17 threshold increase requests under the approval  
 18 section, we should not interpret that to mean that  
 19 you were approving anything. Is that your  
 20 testimony?  
 21 A I'm approving it to go to the director  
 22 of Regulatory Affairs for their perusal, and then  
 23 they have to approve -- I can't do it on my own.  
 24 I cannot increase a threshold.

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1 Q But if you had concerns about a  
 2 threshold being increased, you certainly had the  
 3 authority and ability to raise that objection,  
 4 correct?  
 5 A I would raise that objection.  
 6 Q And if you had an objection, you  
 7 wouldn't sign the threshold increase form, would  
 8 you?  
 9 A From -- if I knew something, that I  
 10 would let the director of Regulatory Affairs know.  
 11 Q Right. And you wouldn't sign a  
 12 threshold increase approval form if you had such  
 13 concerns, right?  
 14 A I would not.  
 15 Q Right. Going back to the slide deck in  
 16 Exhibit 4, on the same page, it says "Reducing  
 17 orders to customers" is the next bullet point. Do  
 18 you see that?  
 19 A Yes.  
 20 Q And that was part of establishing  
 21 this -- these thresholds was an effort to try to  
 22 reduce the overall purchases of these four  
 23 specific products, right?  
 24 MR. COLLINS: Objection. Calls for a

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1 legal conclusion, foundation.  
 2 THE WITNESS: It was to make sure  
 3 they're going to the right customers.  
 4 BY MR. BOGLE:  
 5 Q Right. And the last reference here says  
 6 "Documentation and reporting to DEA." Do you see  
 7 that?  
 8 A Yes.  
 9 Q Meaning if you've got a suspicious order  
 10 you've identified, you report it, correct?  
 11 MR. COLLINS: Objection. Calls for a  
 12 legal conclusion. Form.  
 13 THE WITNESS: Yes.  
 14 BY MR. BOGLE:  
 15 Q Okay. And -- strike that.  
 16 (Snider Exhibit No. 6 was marked  
 17 for identification.)  
 18 BY MR. BOGLE:  
 19 Q I'm going to hand you -- I'm marking as  
 20 Exhibit 1.1333, Exhibit 6 to your deposition.  
 21 Do you see this is a copy of the  
 22 Lifestyle Drug Monitoring Program? Do you see  
 23 that?  
 24 A Yes.

<p style="text-align: right;">Page 118</p> <p>1 Q Okay. You've seen this document before, 2 right? 3 A Yes, I have. 4 Q Okay. And this is the document you 5 would utilize when you were conducting due 6 diligence during the 2007 into 2008 time frame, 7 right? 8 A It was the MOM -- we called it the MOM 9 or the SOPs, standard operating procedures, and it 10 was McKesson's operation manual. 11 Q Right. And this is what you had to 12 comply with when you were conducting due diligence 13 as it related to, for example, oxycodone and 14 hydrocodone during the '07 into '08 time frame, 15 right? 16 MR. COLLINS: Objection to form. 17 THE WITNESS: I believe so, yes. 18 BY MR. BOGLE: 19 Q Okay. And if you look at the first 20 page, in the middle, the four drugs are listed 21 there that the 8,000 unit threshold would be 22 applied to. 23 Do you see that? 24 A Yes.</p>	<p style="text-align: right;">Page 120</p> <p>1 customer could order more than 8,000 without 2 having their orders blocked, right? 3 MR. COLLINS: Objection. Form, vague. 4 THE WITNESS: I'm not sure. If you 5 could rephrase that. 6 BY MR. BOGLE: 7 Q Well, as it indicates in this sentence, 8 this Daily Dosage Summary Report was used to 9 identify customers who had already ordered more 10 than 8,000 units, right? 11 A Yes. 12 Q Okay. Meaning if you've already ordered 13 more than 8,000, you've already exceeded the 14 established threshold, right? 15 A Yes. 16 Q And it says: "For example, all sales 17 and credits of McKesson items containing 18 hydrocodone will be added together and reported if 19 the total doses exceed 8,000 unit. The daily 20 report will systemically be sent via e-mail to the 21 DCM" -- what does DCM stand for? 22 A Distribution center manager. 23 Q And that was you; is that right? 24 A Yes.</p>
<p style="text-align: right;">Page 119</p> <p>1 Q Okay. So it says there above those four 2 drug listings: "This reporting process is 3 targeting controlled substances that the DEA 4 considers lifestyle drugs. These drugs are highly 5 abused and are commonly found in illegal internet 6 pharmacies. Currently the controlled substances 7 being monitored by these reports are," and it 8 lists the four. 9 The first of the two is oxycodone, the 10 second is hydrocodone, correct? 11 A Yes. 12 Q And if you go down a little further on 13 that page, you see where it says "Daily Dosage 14 Summary Report"? 15 A Yes. 16 Q Okay. It says: "This report will 17 summarize customers who have purchased quantities 18 of all products containing the identified base 19 code in excess of the threshold for the item." 20 Do you see that? 21 A Yes. 22 Q Okay. So that sentence in and of itself 23 indicates that the 8,000 unit threshold was not a 24 hard stop, meaning that in a given month a</p>	<p style="text-align: right;">Page 121</p> <p>1 Q Okay. Director of operations is another 2 way to say distribution center manager. Those are 3 used interchangeably at McKesson, right? 4 A Yes. 5 Q -- "and their -- their designee, Sales 6 Management, and regulatory department. It will be 7 the DCM's responsibility to review and act on the 8 reports according to the processes listed below." 9 Do you see that? 10 A Yes. 11 Q And again, that's you. The DCM for New 12 Castle, that's you, right? 13 A Yes. 14 Q Okay. And then you talked a little bit 15 before about Level I reviews. 16 Do you remember talking about that 17 generally with me? 18 A Yes. 19 Q Okay. And Level I reviews will be 20 triggered when a customer exceeded this 8,000 unit 21 threshold, right? 22 A Not necessarily. 23 Q Okay. What would be triggered then? 24 A We were -- at the distribution center in</p>



<p style="text-align: right;">Page 122</p> <p>1 New Castle, we had a goal to go through all          2 independent pharmacies and do a Level I review,          3 part of "know your customer."          4 So starting then, we would schedule all          5 the customers, sometimes prioritizing these, but          6 we would try to get a Level I review with every          7 independent customer that we serviced.          8 Q Okay. But my question was more specific          9 to you. If a customer appears on this Daily          10 Dosage Summary Report as being over 8,000 units,          11 for example, for oxycodone or hydrocodone, that          12 would trigger a Level I review, right? That was          13 the SOP?          14 MR. COLLINS: Objection to the form.          15 THE WITNESS: Not necessarily.          16 Sometimes we already had one.          17 BY MR. BOGLE:          18 Q Okay. So if you already had one and          19 they appeared on a subsequent report, you would          20 not redo the Level I review; is that your          21 testimony?          22 MR. COLLINS: Objection.          23 Mischaracterization.          24 THE WITNESS: I don't know specifically</p>	<p style="text-align: right;">Page 124</p> <p>1 It's on page .2, the next page.          2 Under 1.1, it says: "If the customer          3 appears on a previous month's report for the same          4 item," and then it kind of gives you some -- some          5 criteria to evaluate, right? Below that.          6 A I'd have to look. If I could -- could I          7 look?          8 Q Sure. I'm just talking about 1.1 right          9 now.          10 A (Peruses document.)          11 Okay. What was your question?          12 Q Yeah. I'm just kind of orienting you at          13 this point. You said you wanted to look at it, so          14 I didn't really have one. I was trying to orient          15 you to where we were at.          16 A Okay.          17 Q Okay. So below that, it says:          18 "Evaluate the customer's purchases relative to the          19 past three months' purchases. The evaluation          20 should include, but not necessarily be limited to,          21 the following criteria," and then below that there          22 are five bullet points.          23 Do you see that?          24 A Yes, I do.</p>
<p style="text-align: right;">Page 123</p> <p>1 which customer you're talking about, but sometimes          2 we would ask for a Level II.          3 BY MR. BOGLE:          4 Q Yeah, I'm just asking about the general          5 procedures followed at New Castle. I'm not          6 talking about any specific customer right now.          7 A Oh, I'm sorry, I completely          8 misunderstood your question then.          9 Q I'm saying --          10 A If you could start over.          11 Q Yeah. If a customer shows up on this          12 Daily Dosage Summary Report, while the lifestyle          13 drug management program was in place, that, under          14 the standard operating procedure here, would          15 trigger automatically a Level I review, correct?          16 MR. COLLINS: Objection. Form.          17 THE WITNESS: I don't know that. I          18 would have to read through it again. It's been 10          19 or 12 years.          20 BY MR. BOGLE:          21 Q As you sit here today, you don't know          22 either way. Is that your testimony?          23 A Yes.          24 Q Okay. And let's look at Level I review.</p>	<p style="text-align: right;">Page 125</p> <p>1 Q Okay. Now, these five bullet points, is          2 that the criteria that you would apply in doing a          3 Level I review?          4 A Yes, at that time.          5 Q Were there any other criteria that you          6 applied that are not listed here?          7 A I don't -- there were more. Yes.          8 Q Yeah, so what -- what other criteria          9 would you apply during this time period?          10 A I remember looking for red flags. If          11 there were people -- out-of-state licenses in the          12 parking lot, we would look for that. We were          13 trained if there wasn't any signage on the          14 building, that that was a red flag. We were asked          15 about internet pharmacies, because that was a red          16 flag that usually would push it up to Level II.          17 And we looked at just lines of pharmacies. And          18 then we would get sales data and look at that. I          19 believe three months of sales data.          20 Q Okay. And the red flags that you refer          21 to here -- actually, strike that. We'll get to          22 that in a minute.          23 You would also have responsibility as          24 the distribution center manager or director of</p>

<p style="text-align: right;">Page 126</p> <p>1 operations for doing site examinations and  2 interviews with the customer under the Level II  3 phase as well, right?  4 A Not usually, no.  5 Q You have no role in that process?  6 A Not that I recall.  7 Q Okay. You're saying that's just  8 regulatory that would do that, right?  9 A Usually regulatory, yes.  10 Q Now, there's also a Level III identified  11 here under the Lifestyle Drug Monitoring Program.  12 And I looked during the period of time the  13 documents that were produced for customers of New  14 Castle and Level III reviews. I could not find  15 any.  16 That's -- there were actually no  17 Level III reviews done under the Lifestyle Drug  18 Monitoring Program for New Castle customers, were  19 there?  20 MR. COLLINS: Objection. Assumes facts  21 not in evidence.  22 THE WITNESS: I don't know that.  23 BY MR. BOGLE:  24 Q Okay. So, again, assuming that all the</p>	<p style="text-align: right;">Page 128</p> <p>1 threshold system applied under the CSMP, right,  2 different than the LDMP?  3 A I believe so, yes.  4 Q Okay. And that system for existing  5 customers was based on looking at the last six  6 months of sales data for controlled substances,  7 taking the highest months of sales during that  8 period and adding 10 percent to it, and that was  9 the threshold, right?  10 MR. COLLINS: Objection. Form.  11 THE WITNESS: I don't know specifically  12 about the 10 percent, but I do know it was based  13 on sales.  14 BY MR. BOGLE:  15 Q Okay. Any reason to disagree that that  16 was the process employed?  17 MR. COLLINS: Objection. The question  18 is vague.  19 THE WITNESS: I don't know.  20 BY MR. BOGLE:  21 Q You don't know?  22 Did you ever -- so you would have to  23 review threshold request increases. Those came to  24 you and -- both you and the regulatory individual</p>
<p style="text-align: right;">Page 127</p> <p>1 documents that need to be produced have been  2 produced here, me not finding any, you would agree  3 with me, is indicative of the fact that there were  4 no Level III reviews done during this time period,  5 were there?  6 MR. COLLINS: Objection. Assumes facts  7 not in evidence.  8 THE WITNESS: I can't agree with that.  9 BY MR. BOGLE:  10 Q You don't know one way or the other; is  11 that true?  12 A I don't recall a Level III right now,  13 no.  14 Q You can't recall as you sit here any  15 specific Level III reviews that were done, can  16 you?  17 A What period of time, please?  18 Q 2007 to 2003 under the LDMP.  19 A Not that I remember, no.  20 Q Now, let's talk about for a few minutes  21 the Controlled Substances Monitoring Program.  22 That went into effect in 2008, right?  23 A I believe so, yes.  24 Q Okay. And there was a separate</p>	<p style="text-align: right;">Page 129</p> <p>1 responsible for New Castle, right?  2 A Yes.  3 Q Okay. So when you were reviewing those,  4 you had no concept of how the threshold was set to  5 begin with?  6 MR. COLLINS: Objection. Form,  7 argumentative.  8 THE WITNESS: I said I don't remember.  9 I don't remember that it was 10 percent. It  10 doesn't state that in what I remember. I'm sorry.  11 BY MR. BOGLE:  12 Q Let's talk about how threshold increases  13 were dealt with under the CSMP. Let's start in  14 2008 when the program was launched.  15 From 2008 to present, in order to  16 increase a threshold, a customer had to document a  17 legitimate business reason for increasing that  18 threshold, right?  19 A They had to give us a reason or the DRA,  20 national accounts, et cetera.  21 Q But there was a specific requirement  22 that the business reason needed to be documented,  23 right?  24 A It should be.</p>

<p style="text-align: right;">Page 130</p> <p>1 Q Okay. For example, if a customer tells  2 you that their business is increasing without  3 providing any documentation to support that and to  4 support that increase is legitimate, the threshold  5 increase should not be approved, should it?  6 MR. COLLINS: Objection. Calls for a  7 legal conclusion and form.  8 THE WITNESS: They would usually supply  9 data for that salesperson or the DRA to push it up  10 the line.  11 BY MR. BOGLE:  12 Q Okay. My question was simply that if a  13 customer doesn't provide data to support both the  14 business increases occurring and that it's  15 legitimate, then a threshold increase should not  16 be approved under the CSMP, right?  17 MR. COLLINS: Objection. Incomplete  18 hypothetical, form.  19 THE WITNESS: That data wasn't always  20 supplied to me. It would be supplied to the DRA  21 who approved.  22 MR. BOGLE: Move to strike as  23 nonresponsive.  24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 132</p> <p>1 MR. COLLINS: Objection to the form.  2 THE WITNESS: I would not always know  3 what the increase was, like in national accounts,  4 but they would supply that.  5 MR. BOGLE: Move to strike as  6 nonresponsive.  7 BY MR. BOGLE:  8 Q So my question is simply --  9 A I didn't understand.  10 Q -- a customer saying, My business is  11 increasing, without any documentary support, is  12 not a legitimate reason under the CSMP to increase  13 a threshold, true?  14 MR. COLLINS: Objection to the use of  15 the legalese, "legitimate," so it calls for a  16 legal conclusion. Incomplete hypothetical.  17 THE WITNESS: Can you repeat the  18 question again? I'm sorry.  19 BY MR. BOGLE:  20 Q Sure. A customer saying that their  21 business is increasing, without documentary  22 support for that increase, does not provide a  23 legitimate reason to increase the threshold under  24 the CSMP, true?</p>
<p style="text-align: right;">Page 131</p> <p>1 Q I'm just asking about the process.  2 So --  3 A I'm sorry, I misunderstood.  4 Q Yeah. So when an increase is requested,  5 the increase needs to be documented and justified  6 with supporting documentation showing the reason  7 for the increase and that it's legitimate, right?  8 MR. COLLINS: Objection. Calls for a  9 legal conclusion. Form. Incomplete hypothetical.  10 THE WITNESS: Can you repeat the  11 question? I'm sorry.  12 BY MR. BOGLE:  13 Q Sure. Well, I'll rephrase it to help  14 you out here.  15 So if a customer under the CSMP requests  16 a threshold increase based on increased business,  17 they have to supply documentary support for that  18 request, true?  19 A Yes, a legitimate reason for the  20 increase.  21 Q Right. They can't simply say, My  22 business is increasing, and you guys take their  23 word for it and increase the thresholds, right?  24 That would not be appropriate under the protocols.</p>	<p style="text-align: right;">Page 133</p> <p>1 MR. COLLINS: CS -- same objections.  2 THE WITNESS: I would not -- I would not  3 provide an increase for that.  4 BY MR. BOGLE:  5 Q Okay. Because that would not be  6 appropriate under the Controlled Substances  7 Monitoring Program, right?  8 A It wouldn't be my job to do that. It  9 would be the DRA's.  10 Q My question simply is -- I mean you have  11 an understanding of the Controlled Substances  12 Monitoring Program, right? You sign off on  13 threshold increases, true?  14 MR. COLLINS: Objection. We've been  15 over this. Asked and answered,  16 mischaracterization of his prior testimony.  17 THE WITNESS: I send them up to the DRA  18 so they can do the due diligence, which we do.  19 BY MR. BOGLE:  20 Q I'm going to hand you what I'm marking  21 as Exhibit 1.1679, also Exhibit 7.  22 (Snider Exhibit No. 7 was marked  23 for identification.)  24 BY MR. BOGLE:</p>

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1 Q Are you familiar with Dave Gustin?

2 A Yes.

3 Q Okay. He was in the regulatory

4 department at McKesson, right?

5 A Yes.

6 Q Okay. I want to take a look at page .2

7 here, the second page.

8 MR. COLLINS: I'm sorry. If you need to

9 take more time to review it to familiarize

10 yourself with the document, please do.

11 BY MR. BOGLE:

12 Q There's an e-mail from Dave Gustin,

13 looking at the bottom e-mail on that page, from

14 April 15, 2011, to a big group of people. Do you

15 see that?

16 A I see it, yes.

17 Q Okay. He says there in that e-mail:

18 "My contribution to today's call centers around

19 how we, through the CSMP, will meet the

20 expectations of the program itself and, more

21 urgently, the DEA under the terms of the agreement

22 of May '08. The expectation is that we know our

23 customer and their customers too, at least to the

24 point where we are seeing and responding to any

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1 diversion that may be taking place, if not

2 preventing it up front."

3 Do you see that?

4 A Yes.

5 Q Okay. And he wrote this, by the way, in

6 an e-mail, April 15, 2011. Do you see that?

7 That's the date of the e-mail?

8 MR. COLLINS: Objection. Foundation.

9 THE WITNESS: Yes.

10 BY MR. BOGLE:

11 Q Okay. And then it goes on in the next

12 paragraph -- you see where it says "What I

13 believe" in the second sentence?

14 It says: "What I believe needs to be

15 tightened up are the follow-up visits to our

16 accounts that have undergone significant changes

17 in their controls purchases in either volume or

18 percentage. We also need to tighten up the

19 process regarding granting increases. We have

20 gotten to a point where a certain percentage of

21 increase are almost automatic, and we are too

22 easily accepting of reasons like," quote/unquote,

23 "business increase for raising thresholds by small

24 amounts. The SOP says clearly that this is not an

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1 acceptable reason unless sales data supports it."

2 Do you see that?

3 A Yes.

4 Q And you agree that granting threshold

5 increases based on business increases without

6 supporting data is not appropriate under the

7 Controlled Substances Monitoring Program, right?

8 MR. COLLINS: Objection. Form,

9 incomplete hypothetical.

10 THE WITNESS: I believe exactly what

11 he's saying here.

12 BY MR. BOGLE:

13 Q Okay. So you agree with that statement,

14 what I just read about --

15 A I agree that Dave said it to -- to that

16 group, yes.

17 Q Do you think that's an accurate

18 statement?

19 A I can't testify --

20 Q That the SOP says clearly it's not an

21 acceptable reason for business increase unless

22 data supports it?

23 A Yes.

24 Q Okay. I'm also going to hand you what

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1 I'm marking as 1.795, Exhibit 8 to your

2 deposition.

3 (Snider Exhibit No. 8 was marked

4 for identification.)

5 BY MR. BOGLE:

6 Q So this is a PowerPoint deck titled

7 "McKesson's Controlled Substances Monitoring

8 Program," and the metadata indicates this is from

9 2015.

10 Do you see that title there?

11 A I'm sorry, what's the date, please?

12 Q It doesn't have one on the document.

13 I'm saying the data as provided to us indicated

14 it's 2015.

15 MR. COLLINS: Objection. Foundation.

16 THE WITNESS: Okay.

17 BY MR. BOGLE:

18 Q Do you see the title of the document --

19 A Yes.

20 Q -- "McKesson's Controlled Substances

21 Monitoring Program"?

22 A Yes.

23 Q Did you ever receive training materials

24 like this on the Controlled Substances Monitoring

<p style="text-align: right;">Page 138</p> <p>1 Program to tell you how to implement your portions 2 of it?</p> <p>3 A We received training, yes.</p> <p>4 Q Okay. If you go to page .37 in this 5 PowerPoint deck. It's titled "General Principles 6 for Threshold Increases," and in the middle, there 7 is a bubble that says "Approved Threshold 8 Increases."</p> <p>9 Do you see that?</p> <p>10 A Yes.</p> <p>11 Q And around it, it says "Customer 12 Generated Request." That -- that's a general 13 principle surrounding threshold increases is that 14 they should be customer generated, right?</p> <p>15 MR. COLLINS: Objection. Form.</p> <p>16 THE WITNESS: Okay.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q Is that your understanding?</p> <p>19 MR. COLLINS: Objection. 20 Mischaracterization.</p> <p>21 THE WITNESS: Okay.</p> <p>22 MR. COLLINS: Foundation.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q Do you understand that to be the case?</p>	<p style="text-align: right;">Page 140</p> <p>1 BY MR. BOGLE:</p> <p>2 Q Those principles?</p> <p>3 MR. COLLINS: Objection to the form.</p> <p>4 THE WITNESS: I don't know. I know this 5 was the -- you said, what date was this?</p> <p>6 BY MR. BOGLE:</p> <p>7 Q The document is from 2015.</p> <p>8 A Yeah, I don't know if I've ever seen 9 this. It was directed to the DRAs.</p> <p>10 Q Okay.</p> <p>11 A But we documented thresholds whenever we 12 went to it, and then after that, the thresholds 13 were only increased by the DRAs, and it was an 14 automated system. So I couldn't do it just 15 myself.</p> <p>16 Q And that started just in the last couple 17 years, right?</p> <p>18 MR. COLLINS: Objection. Vague.</p> <p>19 THE WITNESS: I don't remember exactly. 20 '13?</p> <p>21 BY MR. BOGLE:</p> <p>22 Q It's a recent change, right?</p> <p>23 MR. COLLINS: Objection. Vague.</p> <p>24 THE WITNESS: Well, it depends on what</p>
<p style="text-align: right;">Page 139</p> <p>1 MR. COLLINS: Objection. The question 2 is vague.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Is that threshold increases should be 5 customer generated?</p> <p>6 A Yes.</p> <p>7 Q Okay. Threshold increases should also 8 be for a legitimate business justification, right?</p> <p>9 MR. COLLINS: Objection. Vague.</p> <p>10 THE WITNESS: Yes.</p> <p>11 BY MR. BOGLE:</p> <p>12 Q Threshold increases should be made only 13 after the appropriate level of diligence, right?</p> <p>14 MR. COLLINS: Objection. Calls for a 15 legal conclusion.</p> <p>16 THE WITNESS: Yes.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q And threshold increases should be well 19 documented, right?</p> <p>20 A Yes.</p> <p>21 Q Okay. And that's been true the entire 22 time the threshold increase system has been in 23 place at McKesson, right?</p> <p>24 MR. COLLINS: Objection.</p>	<p style="text-align: right;">Page 141</p> <p>1 you call recent. It's been a while that we've had 2 it that way.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q These general --</p> <p>5 A After the lifestyle drugs, then the DRA 6 automatically has to approve and get the 7 documentation.</p> <p>8 Q These general principles for threshold 9 increases that we've reviewed, the 10 well-documented, customer-generated, legitimate 11 business justification, appropriate level of 12 diligence, any of those principles that you think 13 should not have been followed since the launch of 14 the CSMP in 2008? Any of those principles you 15 think that are not appropriate, don't matter?</p> <p>16 MR. COLLINS: Objection. The question 17 is confusing, compound, vague.</p> <p>18 THE WITNESS: Those are the general 19 principles.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. And have always been, right?</p> <p>22 A I can't answer to that.</p> <p>23 Q You don't know?</p> <p>24 A I don't know.</p>



<p style="text-align: right;">Page 142</p> <p>1 Q And when a threshold increase is  2 requested, there's a form that has to be  3 completed, right?  4 A Yes. A form or a SharePoint site.  5 Q Okay. And the SharePoint site, there's  6 dropboxes that you complete and documentation that  7 is attached, right?  8 A That's what I recall.  9 Q Okay. And those forms or the SharePoint  10 information is supposed to be completed at the  11 time the threshold request is made, not at some  12 time thereafter, right?  13 MR. COLLINS: Objection. Vague.  14 THE WITNESS: It could be after the  15 request, because they were doing the due  16 diligence. So I can't honestly say I put one in  17 if I thought there was more due diligence to be  18 done.  19 BY MR. BOGLE:  20 Q Okay. But it would not be appropriate  21 to increase a threshold, supply product to a  22 customer before a threshold request increase form  23 had been completed, true?  24 MR. COLLINS: Objection. The question</p>	<p style="text-align: right;">Page 144</p> <p>1 based on the last six months of sales, that's been  2 a red flag -- if you go above that number, that's  3 a red flag that requires due diligence, right?  4 A Well, we didn't call that a red flag.  5 By red flags, I meant customers that we did  6 Level I visits on.  7 Q Okay. But do you consider a customer  8 going over their threshold number a red flag that  9 requires due diligence?  10 A Can you define "red flag"?  11 Q How would you define it? You used the  12 term earlier in the deposition.  13 A But I used it in the context of Level I,  14 red flags to know your customer. So when we did  15 the visit, we would make sure they met all the  16 criteria, et cetera.  17 Q Okay. So would you consider a customer  18 exceeding their threshold for hydrocodone or  19 oxycodone as being something that requires due  20 diligence to assess whether that was legitimate  21 for them to do so?  22 MR. COLLINS: Objection. Form, vague,  23 and calls for a legal conclusion.  24 THE WITNESS: Yes, there would be some</p>
<p style="text-align: right;">Page 143</p> <p>1 is vague.  2 THE WITNESS: Well, from 2000 to 2006,  3 we usually reported those, but we already shipped  4 them. I didn't get the report till afterwards.  5 After the lifestyle drugs, it was more proactive  6 in that I could get the data and send it to them  7 electronically for them to review and then  8 approve. So it may take some time.  9 BY MR. BOGLE:  10 Q Let me make sure that my question is  11 clear.  12 From 2008 on, under the Controlled  13 Substances Monitoring Program when a threshold  14 increase was requested, the drug should not be  15 shipped under that increased amount without a  16 form -- threshold increase form having already  17 been completed, true?  18 A Yes.  19 Q Okay. You mentioned red flags from a  20 due diligence perspective a moment ago, and I want  21 to ask you something about that. One sort of red  22 flag aspect of the McKesson system has been  23 setting the threshold number, whether it be 8,000  24 under the Lifestyle Drug Monitoring Program or</p>	<p style="text-align: right;">Page 145</p> <p>1 kind of due diligence.  2 BY MR. BOGLE:  3 Q And another mechanism that's been  4 employed more recently at McKesson to assess red  5 flags for customers is looking at the percentage  6 of controlled substances a customer purchases  7 versus their overall prescription purchases,  8 right?  9 A Yes, the DRAs do the -- some analysis.  10 There is a lot of data-driven analysis that's  11 evolved, and I know Izzy and those guys do a good  12 job of that.  13 Q And that's not something that was done  14 until the 2014, 2015 time frame, right, doing that  15 sort of analysis?  16 MR. COLLINS: Objection. Vague.  17 THE WITNESS: I don't know. If they did  18 it in 2008 or not, I don't know -- I don't know  19 that.  20 BY MR. BOGLE:  21 Q That's an important metric, though, to  22 look at to assess whether a customer's orders are  23 suspicious or not is to look at whether the  24 percentages of controlled substances versus</p>

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1 overall purchases exceeds a normal level, right?

2 MR. COLLINS: Objection. Vague, calls

3 for a legal conclusion.

4 THE WITNESS: And that's what the DRAs

5 did.

6 BY MR. BOGLE:

7 Q I'm asking whether you think that's

8 something that's useful.

9 MR. COLLINS: Objection. Asked and

10 answered, form.

11 THE WITNESS: The DRAs found it very

12 useful, I'm sure.

13 BY MR. BOGLE:

14 Q And another mechanism that can be

15 utilized is to look at the percentage of

16 controlled substances by category, meaning what

17 percentages the oxycodone purchases are over their

18 overall prescriptions, right? You've heard of

19 that too?

20 MR. COLLINS: Objection. Form,

21 speculation, vague.

22 BY MR. BOGLE:

23 Q You've heard of that concept?

24 A I've heard of that.

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1 Q Okay. And from the 2008 to 2013 time

2 frame, that's not something, to your

3 understanding, that was utilized at McKesson,

4 using those sort of percentages of controlled

5 versus overall purchases and looking at specific

6 percentages of controlled purchases for drugs,

7 right?

8 MR. COLLINS: Objection. Form, vague,

9 compound.

10 THE WITNESS: My understanding was it

11 probably was used. That's my recollection.

12 BY MR. BOGLE:

13 Q Okay. Did you ever look at any kind of

14 data or ask for any data like that?

15 A Yes.

16 Q You did?

17 A Yes.

18 Q Okay. In the 2008 to 2013 time frame?

19 A I can't recall specifically.

20 Q Okay. And we looked earlier at the

21 PowerPoint slide deck from 2007 for Mr. Walker

22 where the DEA indicated that 5,000 dosage units

23 was average. Do you recall that reference for

24 controlled substances?

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1 A No, I don't, but --

2 Q Okay. You want to go back and look at

3 it?

4 A Yeah.

5 Q It's 1.1830, Exhibit 4. It's the one

6 that looks like this (indicating) on the front.

7 Yep. And so it was specifically page .4.

8 And it's under "DEA Expects," and it

9 talks about 5,000 dose units is average,

10 quote/unquote. Do you see that?

11 A I see that.

12 Q Okay. And at points after 2007, the

13 DEA did provide information to McKesson about

14 controlled substances averages so that McKesson

15 could utilize that in their due diligence

16 processes, right?

17 MR. COLLINS: Objection. Lack of

18 foundation, calls for speculation.

19 THE WITNESS: I'm sorry --

20 MR. COLLINS: Calls for a legal

21 conclusion.

22 THE WITNESS: I'm sorry, I don't recall

23 that. Did --

24 BY MR. BOGLE:

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1 Q Okay. I'm going to hand you what I'm

2 marking as Exhibit 1.1568, as Exhibit 9.

3 (Snider Exhibit No. 9 was marked

4 for identification.)

5 BY MR. BOGLE:

6 Q Okay. Do you see here this is titled

7 "Understand ARCOS Data"? Do you see that?

8 A Yes.

9 Q Okay. Below that, it says, and this is

10 a point later in time than the 2007 reference we

11 looked at: "According to the DEA's 2012 ARCOS

12 data, the following are a few commonly abused

13 drugs with the annual average -- averages number

14 of dosage units purchased by a retail pharmacy for

15 each of the following drugs."

16 And then you see there is hydrocodone,

17 oxycodone, methadone, morphine, hydromorphone and

18 oxymorphone.

19 Do you see those listed?

20 A Yes.

21 Q And then there is an annual average

22 provided for each. Do you see that?

23 A I see the numbers, yes.

24 Q Okay. And then there's a reference

<p style="text-align: right;">Page 150</p> <p>1 below that says: "Diversion can occur in  2 purchases below the DEA national averages."  3 Do you see that?  4 A I see that.  5 Q Okay. And if you go to the next page of  6 this document, it says: "McKesson Regional  7 Statistical Norms." Do you see that?  8 A Yes.  9 Q Okay. And I want to look at your  10 region, which is under the Northeast. Do you see  11 that for New Castle there under Northeast?  12 A Yes.  13 Q And it says total prescription  14 percentage of which controlled substances should  15 be, the norm is 19 percent in your region.  16 Have you seen that number before?  17 MR. COLLINS: Objection. Lack of  18 foundation.  19 THE WITNESS: No.  20 BY MR. BOGLE:  21 Q You've never seen that reference before?  22 A No.  23 Q Okay. Then it lists out the norms for  24 various other controlled substances specifically.</p>	<p style="text-align: right;">Page 152</p> <p>1 THE WITNESS: It says, "Percent of  2 total, plus or minus .25 percent." I see that.  3 BY MR. BOGLE:  4 Q Right. And it's 5 percent listed there  5 of oxycodone. The 5 percent of oxycodone -- 5  6 percent of the total purchases is the regional  7 norm for oxycodone in your region. Do you see  8 that?  9 MR. COLLINS: Objection. Lack of  10 foundation.  11 THE WITNESS: I'm sorry, I don't  12 understand the regional norm that you're saying.  13 BY MR. BOGLE:  14 Q Have they ever shown this document to  15 you?  16 A I don't remember seeing this.  17 Q McKesson? Anybody? So nobody has ever  18 talked to you about what the regional norms are  19 for your -- the region that your distribution  20 center covers --  21 MR. COLLINS: Objection --  22 BY MR. BOGLE:  23 Q -- for these controlled substances?  24 MR. COLLINS: Objection. The question</p>
<p style="text-align: right;">Page 151</p> <p>1 Do you see that?  2 MR. COLLINS: Objection. Lack of  3 foundation.  4 THE WITNESS: What is a norm? I'm not  5 sure. You'll have to help me with this.  6 BY MR. BOGLE:  7 Q Well, the document is titled "McKesson  8 Regional Statistical Norms." Do you see that?  9 A Yes.  10 MR. COLLINS: Objection. There's been  11 no testimony this witness has any firsthand  12 knowledge of this document. Lack of foundation.  13 BY MR. BOGLE:  14 Q So for oxycodone, it says --  15 MR. COLLINS: I'm sorry. Please let me  16 finish my objection.  17 BY MR. BOGLE:  18 Q -- 5 percent of the total prescriptions  19 for oxycodone is a regional statistical norm for  20 your region. Do you see that?  21 MR. COLLINS: Objection. Lack of  22 foundation. No firsthand knowledge has been  23 established this witness has any knowledge of this  24 document.</p>	<p style="text-align: right;">Page 153</p> <p>1 is compound and argumentative.  2 THE WITNESS: No, I've never seen the  3 Northeast for all these DCs: Boston, New Castle,  4 Rockhill, Buffalo.  5 BY MR. BOGLE:  6 Q Okay. You see this is an internal  7 McKesson document, right?  8 MR. COLLINS: Objection. Lack of  9 foundation.  10 BY MR. BOGLE:  11 Q It says "McKesson" on it.  12 A I don't -- I don't have any knowledge.  13 Q It's got a Bates stamp produced from  14 defense counsel for McKesson, coming from  15 McKesson's files. Do you see that?  16 MR. COLLINS: Objection. If you're  17 testifying to that, that's fine. He doesn't have  18 any knowledge of that.  19 BY MR. BOGLE:  20 Q Do you see that?  21 A I'm sorry. Can you --  22 Q First of all, McKesson, you see that?  23 MR. BOGLE: Can we highlight that?  24 THE WITNESS: I think I'll testify that</p>

<p style="text-align: right;">Page 154</p> <p>1 I've never seen this document before.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Yeah, I'm just asking.</p> <p>4 So the annual data from 2012, the ARCOS</p> <p>5 data, the averages, nobody has ever told you about</p> <p>6 that -- those numbers either?</p> <p>7 A I've never seen this document.</p> <p>8 Q Outside of this document, anybody ever</p> <p>9 talk to you about what the averages are nationally</p> <p>10 for any of these drugs?</p> <p>11 A No, not nationally.</p> <p>12 Q No. Or regionally?</p> <p>13 A No.</p> <p>14 MR. COLLINS: Objection to the word</p> <p>15 "regionally."</p> <p>16 BY MR. BOGLE:</p> <p>17 Q When you're out there conducting reviews</p> <p>18 of customers, your due diligence component of --</p> <p>19 of your job, you would agree with me that</p> <p>20 assessing whether the customer has significant</p> <p>21 business coming from pain clinics is relevant in</p> <p>22 assessing whether to increase an opioid threshold,</p> <p>23 right?</p> <p>24 MR. COLLINS: Objection. Form,</p>	<p style="text-align: right;">Page 156</p> <p>1 would also depend on the era that we're talking</p> <p>2 about. I don't know if I -- 2000 to 2006, I</p> <p>3 would -- I would necessarily know that.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q Okay. Well, let me hand you what I'm</p> <p>6 marking as Exhibit 1.1829, Exhibit 10.</p> <p>7 (Snider Exhibit No. 10 was marked</p> <p>8 for identification.)</p> <p>9 MR. COLLINS: Thank you.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q You see here this is a letter from a law</p> <p>12 firm, Hyman, Phelps and McNamara, April 25, 2007.</p> <p>13 Do you see that?</p> <p>14 A Yes.</p> <p>15 MR. COLLINS: Objection. Lack of</p> <p>16 foundation.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q And they're sending this to Linden</p> <p>19 Barber, Associate Chief Counsel for the DEA. Do</p> <p>20 you see that?</p> <p>21 A Yes.</p> <p>22 Q Okay. And if you look at this letter,</p> <p>23 specifically page .3, number 5 says: "The</p> <p>24 McKesson DC management or regulatory staff, where</p>
<p style="text-align: right;">Page 155</p> <p>1 foundation.</p> <p>2 THE WITNESS: I would assess all aspects</p> <p>3 of the customer.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q Right. And specifically, whether they</p> <p>6 do substantial business with pain clinics is</p> <p>7 relevant to consider whether to increase an opioid</p> <p>8 threshold, right?</p> <p>9 A I'm not sure.</p> <p>10 Q You don't know whether that's a red</p> <p>11 flag?</p> <p>12 A Yes, if it's over. But I've seen</p> <p>13 customers supply to pain clinics and they aren't</p> <p>14 over the threshold.</p> <p>15 Q Okay. So I'm talking about increasing a</p> <p>16 customer's threshold. You would agree with me</p> <p>17 that one thing to look for that would be a</p> <p>18 potential red flag is doing substantial business</p> <p>19 with a pain clinic. Right?</p> <p>20 MR. COLLINS: Objection. Form, the</p> <p>21 question is vague.</p> <p>22 THE WITNESS: It would be a red flag</p> <p>23 only if it exceeded the thresholds by large</p> <p>24 amounts and they couldn't substantiate it. And it</p>	<p style="text-align: right;">Page 157</p> <p>1 appropriate, will conduct a further review to</p> <p>2 verify information provided by its customers. For</p> <p>3 example, if a pharmacy claims that it is receiving</p> <p>4 increased prescriptions from a pain clinic,</p> <p>5 McKesson will attempt to verify such information</p> <p>6 with the clinic as well as request further</p> <p>7 documentation that the clinic is issuing</p> <p>8 prescriptions in the course of legitimate medical</p> <p>9 practice."</p> <p>10 Do you see that?</p> <p>11 A Yes.</p> <p>12 Q Do you see the statement was provided to</p> <p>13 the DEA in April 25, 2007?</p> <p>14 MR. COLLINS: Objection.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q Do you see that's the date?</p> <p>17 MR. COLLINS: Objection. Lack of</p> <p>18 foundation. This witness hasn't testified he has</p> <p>19 any knowledge of this letter, nor to establish</p> <p>20 that.</p> <p>21 THE WITNESS: I have no knowledge of</p> <p>22 this. I can't testify -- only to what it says</p> <p>23 here on the document.</p> <p>24 BY MR. BOGLE:</p>

<p>Page 158</p> <p>1 Q That's where we're starting. I'm going 2 from there. 3 A Okay. 4 Q So that's what it says, right? 5 A I'm sorry, you asked me if it was 6 supplied to the DEA or to -- from the DEA. I 7 don't know that. 8 Q We know this letter was written to the 9 DEA, to Chief Counsel of the DEA. That's what it 10 says, right? 11 MR. COLLINS: Objection. You haven't 12 established that. 13 THE WITNESS: I don't know. 14 BY MR. BOGLE: 15 Q Okay. Well, let's establish that. By 16 facsimile confirmation by mail, a copy by mail, 17 "Linden Barber, Associate Chief Counsel, Diversion 18 and Regulatory Litigation Section, Drug 19 Enforcement Administration." 20 Do you see that? 21 A I see that. 22 Q Okay, thank you. 23 Now, going back to the sentence that I 24 read to you --</p> <p>Page 159</p> <p>1 MR. COLLINS: I'm sorry, that hasn't 2 established anything. 3 BY MR. BOGLE: 4 Q -- did anyone tell you in -- 5 MR. COLLINS: I'm sorry, let me -- 6 MR. BOGLE: I'm asking a question. 7 BY MR. BOGLE: 8 Q Did anyone tell you in 2007 -- 9 MR. COLLINS: I'm sorry, I need -- let 10 me finish my objection, please. 11 BY MR. BOGLE: 12 Q Did anyone tell you in 2007 that part of 13 your responsibilities as DC management included 14 when a customer requested a threshold increase, to 15 assess whether they have significant business from 16 a pain clinic and to verify the legitimacy of that 17 business? Did anyone ever tell you to do that? 18 MR. COLLINS: Objection. The question 19 is compound in multiple ways. So it's vague. 20 THE WITNESS: I don't recall 21 specifically, but the director of Regulatory 22 Affairs would in fact get that information. 23 BY MR. BOGLE: 24 Q It says -- let's go back to number 5.</p>	<p>Page 160</p> <p>1 "The McKesson DC management or regulatory staff," 2 we'll start with that. Do you see that? 3 A Yeah, I don't know what this document 4 even is. I have to apologize. 5 Q I'm asking you a question. Okay. Just 6 listen to my question. 7 A Okay. 8 Q When McKesson DC management or 9 regulatory staff -- so DC management, that's you, 10 right? 11 MR. COLLINS: Objection. You haven't 12 established this witness has any firsthand 13 knowledge of this document. 14 MR. BOGLE: That's the whole purpose is 15 that if he doesn't, that's a big problem. 16 MR. COLLINS: The witness has already 17 testified, and you're testifying as to what the 18 contents are. Typically it goes question and 19 answer where you elicit information from a 20 witness. 21 MR. BOGLE: You're -- you're -- you're 22 not even objecting. You're just talking. 23 MR. COLLINS: No, no, because you're 24 ignoring the objection. The witness has no</p> <p>Page 161</p> <p>1 firsthand knowledge about the document. 2 BY MR. BOGLE: 3 Q "For example, if the pharmacy claims it 4 is receiving increased prescriptions from a pain 5 clinic, McKesson will attempt to verify such 6 information with the clinic as well as request 7 further documentation that the clinic is issuing 8 prescriptions in the course of legitimate medical 9 practice." 10 Do you see that sentence? 11 A I see it. 12 Q That's something that you and the 13 regulatory staff should have been doing when 14 assessing threshold increases for your customers, 15 true? 16 MR. COLLINS: Objection. Lack of 17 foundation, lack of establishing the witness's 18 firsthand knowledge of this document or the 19 question or the foundation for it. 20 THE WITNESS: I don't know this document 21 at all. I'm sorry. 22 BY MR. BOGLE: 23 Q Is that -- is that something that you 24 should have been doing?</p>
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<p style="text-align: right;">Page 162</p> <p>1 MR. COLLINS: Objection. Form.</p> <p>2 THE WITNESS: Not in 2000 to 2006, and</p> <p>3 the DRAs did that, I'm sure.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q What about from 2007 on?</p> <p>6 A The DRAs did that.</p> <p>7 Q Okay. So nobody ever told you --</p> <p>8 because DC management is also referenced here,</p> <p>9 nobody ever told you you had any role in that</p> <p>10 process?</p> <p>11 A I did the Level Is and I did the</p> <p>12 threshold increases. It was handled by the DRA</p> <p>13 whether it was approved or not. I couldn't do it</p> <p>14 on my own unilater -- unilateral.</p> <p>15 Q So is it your testimony that for New</p> <p>16 Castle at least after 2007, that this assessment</p> <p>17 that's talked about in this sentence I read to you</p> <p>18 was actually done for the New Castle customers?</p> <p>19 A As part of the SOP, I believe it was</p> <p>20 done by the DRA, yes.</p> <p>21 Q Okay. Your testimony is it was done for</p> <p>22 New Castle customers.</p> <p>23 A For the -- yes, by the DRA.</p> <p>24 Q Okay. Have you reviewed the Controlled</p>	<p style="text-align: right;">Page 164</p> <p>1 Do you recall ever seeing this portion</p> <p>2 of the Controlled Substances Monitoring Program?</p> <p>3 A I do recall.</p> <p>4 Q You do?</p> <p>5 A Yes.</p> <p>6 Q Okay. And I want to look at a couple of</p> <p>7 aspects of this here. Under that, it says:</p> <p>8 "McKesson CSMP has identified certain,"</p> <p>9 quote/unquote, "red flags that are indicators or</p> <p>10 areas of possible concern regarding shipments of</p> <p>11 controlled substances. Additionally, the red</p> <p>12 flags discussed herein are not intended to be all</p> <p>13 inclusive as they can change over time depending</p> <p>14 on a variety of factors, e.g., new regulations,</p> <p>15 new drugs coming to market or advancements of</p> <p>16 technology."</p> <p>17 Do you see that?</p> <p>18 A Yes.</p> <p>19 Q In the second paragraph, the last</p> <p>20 sentence, it says: "Nevertheless, it is important</p> <p>21 that when red flags are identified, they are</p> <p>22 reviewed to ensure appropriate due diligence."</p> <p>23 Do you see that?</p> <p>24 A Yes.</p>
<p style="text-align: right;">Page 163</p> <p>1 Substances Monitoring Program that was -- that has</p> <p>2 been in place since 2008, the various versions of</p> <p>3 it?</p> <p>4 MR. COLLINS: Objection. Vague.</p> <p>5 THE WITNESS: Yes.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Have you read the SOPs itself?</p> <p>8 A Yes.</p> <p>9 Q Okay. And you know starting in 2015 the</p> <p>10 Controlled Substances Monitoring Program included</p> <p>11 a specific section talking about red flags, right?</p> <p>12 A I don't recall that. If you could show</p> <p>13 me, I would be more inclined to remember.</p> <p>14 Q All right.</p> <p>15 MR. BOGLE: What number are we on?</p> <p>16 MR. COLLINS: 11, I think.</p> <p>17 (Snider Exhibit No. 11 was marked</p> <p>18 for identification.)</p> <p>19 MR. COLLINS: Are you okay?</p> <p>20 THE WITNESS: Yeah.</p> <p>21 BY MR. BOGLE:</p> <p>22 Q All right. I'm handing you Exhibit 11,</p> <p>23 which is also Exhibit 1.1146. This is titled</p> <p>24 "McKesson CSMP Red Flags, May 2015."</p>	<p style="text-align: right;">Page 165</p> <p>1 Q Okay. And below that, it says: "This</p> <p>2 document is designed to separate red flags into</p> <p>3 two categories. The first section, apparent red</p> <p>4 flags, list those that are readily identifiable."</p> <p>5 Do you see that?</p> <p>6 A Yes.</p> <p>7 Q Okay. I want to look at a couple of</p> <p>8 those. Section 1 says "Apparent red flags." Do</p> <p>9 you see that section?</p> <p>10 A Yes.</p> <p>11 Q It says: "Below is a list of examples</p> <p>12 of the more readily identifiable red flags. These</p> <p>13 do not require expertise or extensive analysis in</p> <p>14 order to identify them."</p> <p>15 Do you see where I read that?</p> <p>16 A Yes.</p> <p>17 Q Okay. And if you go to page .3, this is</p> <p>18 under the section "Responses in the customer</p> <p>19 questionnaire," do you see letter M says: "The</p> <p>20 pharmacy's primary business model involves filling</p> <p>21 prescriptions for or dispensing directly to pain</p> <p>22 clinics."</p> <p>23 Do you see that?</p> <p>24 A Yes.</p>

<p style="text-align: right;">Page 166</p> <p>1 Q Okay. So that's identified as one of</p> <p>2 the apparent red flags, right?</p> <p>3 A Yes.</p> <p>4 Q Okay. And that's something, quite</p> <p>5 frankly, that as we saw back in 2007, was already</p> <p>6 identified as a red flag of something McKesson</p> <p>7 should be concerned about, right?</p> <p>8 A Yes. I believe it said internet</p> <p>9 pharmacy on the Level I questionnaire.</p> <p>10 Q Okay. I'm talking -- this talks about</p> <p>11 pain clinics. Do you see that, though?</p> <p>12 A Oh, yes.</p> <p>13 Q Okay. And business with pain clinics</p> <p>14 has long been identified as a potential red flag</p> <p>15 at McKesson, right?</p> <p>16 MR. COLLINS: Objection. Vague. Form.</p> <p>17 THE WITNESS: At least that's down here,</p> <p>18 yes.</p> <p>19 BY MR. BOGLE:</p> <p>20 Q At least as 2007, the document we saw</p> <p>21 that was sent by counsel for McKesson to the DEA</p> <p>22 identified this as something that was going to be</p> <p>23 investigated back in 2007, right?</p> <p>24 MR. COLLINS: Objection. Assumes facts</p>	<p style="text-align: right;">Page 168</p> <p>1 MR. COLLINS: Objection. Form.</p> <p>2 Compound.</p> <p>3 And I'm sorry, is that a question?</p> <p>4 MR. BOGLE: Yeah.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Does that make common sense to you that</p> <p>7 that would be a red flag?</p> <p>8 A That would be --</p> <p>9 MR. COLLINS: Objection. Vague.</p> <p>10 THE WITNESS: That would be something I</p> <p>11 would look at or the DRA would look at.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Okay. Because that's a potential red</p> <p>14 flag, right?</p> <p>15 MR. COLLINS: Objection to form.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q Yes or no, sir?</p> <p>18 A Okay. Yes.</p> <p>19 Q Section 2 -- I'm on page .4 now -- talks</p> <p>20 about detailed red flags. And under</p> <p>21 "Nonstatistical red flags," the first is</p> <p>22 geographic location. Do you see that?</p> <p>23 A Yes.</p> <p>24 Q And it says under A there: "The</p>
<p style="text-align: right;">Page 167</p> <p>1 not in evidence. The witness has no firsthand</p> <p>2 knowledge of that letter, as we've already</p> <p>3 established.</p> <p>4 THE WITNESS: I don't have any knowledge</p> <p>5 of that.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Do you have any reason to think that the</p> <p>8 primary business model involving filling</p> <p>9 prescriptions for or dispensing directly to pain</p> <p>10 clinics is a red flag that could not have been</p> <p>11 identified prior to 2015?</p> <p>12 MR. COLLINS: Objection. The question</p> <p>13 is compound, it's vague.</p> <p>14 THE WITNESS: I have no reason to</p> <p>15 believe.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q Okay. Let's look at Q. It says: "The</p> <p>18 pharmacy's business model centers on controlled</p> <p>19 substances where the pharmacy is planning to</p> <p>20 expand its controlled substance business."</p> <p>21 Do you see that?</p> <p>22 A Yes.</p> <p>23 Q That's a common sense red flag, right?</p> <p>24 That makes logical sense.</p>	<p style="text-align: right;">Page 169</p> <p>1 pharmacy located in a geographic area known or</p> <p>2 suspecting -- suspected of having higher than</p> <p>3 normal prescription drug diversion or level of</p> <p>4 prescribing. This would include areas where</p> <p>5 diversion schemes are known to be centrally</p> <p>6 located."</p> <p>7 Do you see that?</p> <p>8 A Yes.</p> <p>9 Q Do you think that makes sense as a</p> <p>10 common sense red flag?</p> <p>11 MR. COLLINS: Objection. Vague. Form.</p> <p>12 THE WITNESS: It would make sense to me.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q Okay. Let's go to under number 2. Do</p> <p>15 you see where it says "Pharmacy's business model"</p> <p>16 on that page?</p> <p>17 A Yes.</p> <p>18 Q And then on the next page, continuing</p> <p>19 that section, letter D says: "There is a pain</p> <p>20 clinic located inside of or is part of the</p> <p>21 pharmacy."</p> <p>22 Do you see that?</p> <p>23 A Yes.</p> <p>24 Q Do you think that's a common sense red</p>

<p style="text-align: right;">Page 170</p> <p>1 flag?</p> <p>2 A It would be something to look at, yes.</p> <p>3 Q Okay. Number 3 says: "Governmental</p> <p>4 information/inquiry." Letter A says:</p> <p>5 "Inquiry/subpoena by government agency regarding</p> <p>6 customer."</p> <p>7 Do you see that?</p> <p>8 MR. COLLINS: Objection. Vague.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q Do you -- do you agree that's a common</p> <p>11 sense red flag for McKesson?</p> <p>12 MR. COLLINS: Objection. Vague as to</p> <p>13 time frame.</p> <p>14 THE WITNESS: It's something to inquire,</p> <p>15 I agree with that.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q And that's something if you got a</p> <p>18 subpoena from a governmental agency regarding your</p> <p>19 customer and their dispensing of opioids back in</p> <p>20 2008, that would be a red flag too, right?</p> <p>21 MR. COLLINS: Objection. Vague. Form.</p> <p>22 THE WITNESS: If I -- if I got the</p> <p>23 subpoena?</p> <p>24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 172</p> <p>1 Q And then the last couple I want to do</p> <p>2 here, and then we can take a -- a break if you</p> <p>3 need to.</p> <p>4 Number 5 on page .6, talks about other</p> <p>5 distributors. Do you see that?</p> <p>6 A Yes.</p> <p>7 Q And A, it says: "Pharmacy purchases</p> <p>8 controlled substances from other distributors."</p> <p>9 Do you see that?</p> <p>10 A Yes.</p> <p>11 Q Okay. Is that something that you would</p> <p>12 investigate when evaluating a customer's opioid</p> <p>13 purchases going back even to 2006 to present?</p> <p>14 MR. COLLINS: Objection. Form. Vague.</p> <p>15 THE WITNESS: I couldn't always</p> <p>16 investigate, but it would be something I think</p> <p>17 they ask on the questionnaire. And then later on,</p> <p>18 now we have software that's involved that we</p> <p>19 can -- I think the DEA has provided that, that we</p> <p>20 can see all of the wholesaler purchases. So the</p> <p>21 DRA can take a look at that. I'm not privy to</p> <p>22 that, but the DRAs know that information.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q But that's the sort of information that</p>
<p style="text-align: right;">Page 171</p> <p>1 Q Yeah.</p> <p>2 A Yes, that's something I would know and</p> <p>3 look at.</p> <p>4 Q Okay. Number 4 says: "Integrity</p> <p>5 concerns," and specifically under E, it says:</p> <p>6 "Discipline of any pharmacy employee by a state</p> <p>7 licensing authority or other regulatory agency</p> <p>8 within the past 10 years."</p> <p>9 Do you see that?</p> <p>10 A Yeah -- yes.</p> <p>11 Q And at all times that you've been</p> <p>12 director of operations at New Castle, that would</p> <p>13 be a common sense red flag to be investigated,</p> <p>14 right?</p> <p>15 MR. COLLINS: Objection. Form.</p> <p>16 THE WITNESS: I remember I didn't know</p> <p>17 that until the internet searches, probably 2006 or</p> <p>18 '7.</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Okay. So starting in 2006, 2007, to you</p> <p>21 going forward, that would be a common sense red</p> <p>22 flag if you saw that, that needed investigating,</p> <p>23 right?</p> <p>24 A Yes.</p>	<p style="text-align: right;">Page 173</p> <p>1 would be useful to know, especially when trying to</p> <p>2 decide whether to increase the threshold for</p> <p>3 opioids, right?</p> <p>4 MR. COLLINS: Objection to the form.</p> <p>5 The question is vague, incomplete.</p> <p>6 THE WITNESS: Okay. I'm sorry, can you</p> <p>7 repeat the --</p> <p>8 BY MR. BOGLE:</p> <p>9 Q Sure.</p> <p>10 Whether the pharmacy purchases from</p> <p>11 multiple distributors would at all times be</p> <p>12 something that would be important for McKesson to</p> <p>13 know when considering whether to increase a</p> <p>14 threshold for opioids, for example?</p> <p>15 MR. COLLINS: Objection to the form, the</p> <p>16 use of --</p> <p>17 BY MR. BOGLE:</p> <p>18 Q Do they buy opioids from another</p> <p>19 distributor?</p> <p>20 MR. COLLINS: Objection to the question</p> <p>21 to the extent it references "at all times."</p> <p>22 THE WITNESS: I would like to know that.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q All right. B says: "Other distributors</p>

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1 have restricted or ceased selling controls to the  
2 customer or potential customer in the past five  
3 years."  
4 Do you see that?  
5 A Yes.  
6 Q And again, from the period of time that  
7 you started as director of operations in 2000 to  
8 present, that's something you think is reasonable  
9 for McKesson to want to know, right?  
10 MR. COLLINS: Objection to the form,  
11 compound, calls for a legal conclusion.  
12 THE WITNESS: I'd like to know why.  
13 BY MR. BOGLE:  
14 Q Okay. But you can't know why unless you  
15 know if, right?  
16 MR. COLLINS: Objection. The question  
17 is vague.  
18 THE WITNESS: That's vague to me. Can  
19 you restate that, please?  
20 BY MR. BOGLE:  
21 Q Yeah. You can't ask why if you don't  
22 know whether it's happened, right?  
23 MR. COLLINS: Same objection.  
24 THE WITNESS: Okay. I'm not sure --

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1 BY MR. BOGLE:  
2 Q Do you agree with that premise?  
3 MR. COLLINS: The question doesn't make  
4 any sense. Objection to form.  
5 BY MR. BOGLE:  
6 Q You can't ask why another distributor  
7 cut off or restricted or ceased selling controls  
8 to a customer unless you've asked whether that  
9 actually has occurred, right?  
10 A Yes.  
11 Q Okay. And then the last one under  
12 "Statistical red flags," under A, and this is what  
13 we looked at a minute ago, it says: "A customer's  
14 control/Rx ratio, when compared to similar  
15 customers serviced by the same distribution  
16 center seems unusually high. As a benchmark, DEA  
17 has previously stated that an average retailer  
18 pharmacy's controls/prescription ratio is  
19 approximately 20 to 25 percent."  
20 Do you see that?  
21 A Yes.  
22 Q I think you said earlier that's not a  
23 concept that you were familiar with before today,  
24 right?

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1 MR. COLLINS: Objection. Form.  
2 THE WITNESS: I don't remember  
3 testifying to that.  
4 BY MR. BOGLE:  
5 Q Okay. We looked at the DEA document  
6 where they provided these kind of averages.  
7 MR. COLLINS: Objection. Lack of  
8 foundation.  
9 THE WITNESS: I'm not sure that I  
10 testified to that.  
11 BY MR. BOGLE:  
12 Q Okay. Well, is this something you're  
13 familiar with prior to today?  
14 A Yes.  
15 Q Okay. And do you agree that that's a  
16 reasonable red flag that requires further due  
17 diligence?  
18 MR. COLLINS: Objection. The question  
19 is vague as to time frame.  
20 THE WITNESS: Yes. I agree that when  
21 that data became available, that that was a part  
22 of the due diligence.  
23 BY MR. BOGLE:  
24 Q Well, it's always been available.

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1 McKesson just never asked for it until the last  
2 few years, right?  
3 MR. COLLINS: Objection.  
4 Mischaracterization.  
5 THE WITNESS: I don't agree with that.  
6 BY MR. BOGLE:  
7 Q Okay. So are you saying McKesson was  
8 unable to, say, for example, in 2009, ask for the  
9 complete dispensing data from a -- from a customer  
10 and then run the numbers?  
11 A I don't know that.  
12 Q Okay. Have you ever asked a customer  
13 for complete dispensing data so an analysis could  
14 be done as to how much of those purchases were  
15 controlled substances?  
16 A Between what years, please?  
17 Q 2008 to 2013.  
18 A Have I?  
19 Q Sure.  
20 A No. That's usually the DRA.  
21 Q Have you ever seen a DRA do it during  
22 that five-year time frame for a New Castle  
23 customer?  
24 A What five years?

<p style="text-align: right;">Page 178</p> <p>1 Q 2008 to 2013.</p> <p>2 A Yes.</p> <p>3 Q You've seen them do this specific</p> <p>4 analysis?</p> <p>5 A Yes.</p> <p>6 Q Okay. So you know it can be done.</p> <p>7 A Yes.</p> <p>8 Q Okay. And it's a reasonable analysis to</p> <p>9 conduct, right?</p> <p>10 MR. COLLINS: Objection. Vague, form.</p> <p>11 THE WITNESS: If you can, I think it</p> <p>12 would be a good idea.</p> <p>13 MR. BOGLE: Yeah. Let me look real</p> <p>14 quick. I think -- yeah. We can take a break now</p> <p>15 is good.</p> <p>16 MR. COLLINS: Yep.</p> <p>17 THE VIDEOGRAPHER: The time is</p> <p>18 11:14 a.m. We're going off the record.</p> <p>19 (Recess.)</p> <p>20 THE VIDEOGRAPHER: The time is 11:29</p> <p>21 a.m., and we're back on the record.</p> <p>22 BY MR. BOGLE:</p> <p>23 Q All right. Mr. Snider, the -- your New</p> <p>24 Castle Distribution Center is in -- located in</p>	<p style="text-align: right;">Page 180</p> <p>1 sorry.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Okay. You've never been told that?</p> <p>4 A No.</p> <p>5 Q Okay.</p> <p>6 (Snider Exhibit No. 12 was marked</p> <p>7 for identification.)</p> <p>8 BY MR. BOGLE:</p> <p>9 Q I'm going to hand you 1.44, Exhibit 12</p> <p>10 to your deposition.</p> <p>11 Okay. This is noted at the top to be</p> <p>12 from the House of Representatives, Congress of the</p> <p>13 United States, February 15, 2008. Do you see</p> <p>14 that?</p> <p>15 A Yes.</p> <p>16 Q Okay. And it's a letter sent to</p> <p>17 Mr. John Hammergren. That's the CEO of McKesson,</p> <p>18 right?</p> <p>19 MR. COLLINS: Objection. Lack of</p> <p>20 foundation.</p> <p>21 THE WITNESS: Yes.</p> <p>22 BY MR. BOGLE:</p> <p>23 Q Do you see where it's -- he's noted to</p> <p>24 be the recipient, "Dear Mr. Hammergren"?</p>
<p style="text-align: right;">Page 179</p> <p>1 Pennsylvania, right?</p> <p>2 A Yes.</p> <p>3 Q Okay. But you guys service customers</p> <p>4 outside of the state of Pennsylvania, correct?</p> <p>5 A Yeah -- oh, yes.</p> <p>6 Q For example, you service customers in</p> <p>7 Ohio, right?</p> <p>8 A Yes.</p> <p>9 Q You service customers in West Virginia,</p> <p>10 right?</p> <p>11 A Yes.</p> <p>12 Q Okay. And we talked a little bit about</p> <p>13 the opioid epidemic earlier in your deposition,</p> <p>14 but you understand that West Virginia is one of</p> <p>15 the states that's been hit hardest by the opioid</p> <p>16 epidemic, right?</p> <p>17 A Yes.</p> <p>18 Q And In fact, there have been</p> <p>19 congressional investigations into McKesson's</p> <p>20 conduct specific to pharmacies supplied in West</p> <p>21 Virginia.</p> <p>22 Do you understand that?</p> <p>23 MR. COLLINS: Objection. Form.</p> <p>24 THE WITNESS: I don't know that. I'm</p>	<p style="text-align: right;">Page 181</p> <p>1 A I would think he got it.</p> <p>2 MR. COLLINS: Objection.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Do you see that this was designed to be</p> <p>5 sent to him, right?</p> <p>6 MR. COLLINS: Objection. The witness</p> <p>7 has no firsthand knowledge.</p> <p>8 THE WITNESS: I don't know anything</p> <p>9 about this document, so I can't answer to that.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q All right. But you see it says, "Dear</p> <p>12 Mr. Hammergren," right? Do you see that on the</p> <p>13 first page?</p> <p>14 A Yeah, I see that.</p> <p>15 Q You see that?</p> <p>16 A Yeah.</p> <p>17 Q Okay. And so if you look at the first</p> <p>18 page of this document, it says in the second</p> <p>19 paragraph, "As part of our investigation." Do you</p> <p>20 see that?</p> <p>21 A Yes.</p> <p>22 Q It says: "As part of our investigation,</p> <p>23 the Committee wrote to you on May 8, 2017,</p> <p>24 regarding your distribution practices generally,</p>



<p style="text-align: right;">Page 182</p> <p>1 and in particular with respect to West Virginia. 2 As we mentioned in the letter, the opioid epidemic 3 has been particularly devastating to West 4 Virginia. For example, in 2015, West Virginia had 5 the highest opioid overdose death rate in the 6 nation." 7 And then it goes on, the last sentence 8 in that paragraph says: "Court filings also 9 indicate that between 2007 and 2012, McKesson 10 distributed 46,179,600 doses of hydrocodone and 11 54,304,980 doses of oxycodone, meaning that 12 McKesson shipped a total of 100,484,580 doses to 13 West Virginia during this time period." 14 Have you ever seen that kind of data 15 talking about the number of hydrocodone and 16 oxycodone pills McKesson distributed to West 17 Virginia during this time frame? 18 A No, I haven't. 19 Q Okay. You know that a fair amount of 20 those pills that are being referenced here came 21 from your distribution center, right? 22 MR. COLLINS: Objection. Lack of 23 foundation. Lack of firsthand knowledge. 24 THE WITNESS: I don't know that.</p>	<p style="text-align: right;">Page 184</p> <p>1 MR. COLLINS: The question was asked and 2 answered last -- a moment ago. 3 BY MR. BOGLE: 4 Q Correct? 5 MR. COLLINS: Same -- same objection. 6 Asked and answered. 7 THE WITNESS: A -- a portion probably 8 did. 9 BY MR. BOGLE: 10 Q Well, you know they did, right? From 11 2007 to 2012, you know that the New Castle 12 Distribution Center was servicing West Virginia 13 pharmacies, right? So it has to be part of this 14 number, true? 15 MR. COLLINS: Objection. 16 BY MR. BOGLE: 17 Q You know that. 18 MR. COLLINS: Objection. The question 19 is compound three different ways. It's 20 argumentative. It's been asked and answered. 21 BY MR. BOGLE: 22 Q You know that, don't you? 23 MR. COLLINS: Objection. Form. 24 THE WITNESS: I've never seen this</p>
<p style="text-align: right;">Page 183</p> <p>1 BY MR. BOGLE: 2 Q Okay. Well, you know from 2007 to 2012 3 that -- that the New Castle Distribution Center 4 was sending hydrocodone and oxycodone to 5 pharmacies in West Virginia, right? 6 A Yes. 7 Q Okay. So, therefore, you must present 8 some of this number coming from New Castle, right? 9 MR. COLLINS: Objection. The question 10 is vague. 11 THE WITNESS: If I could answer that, 12 the DEA has done audits on us. We've never been 13 found to do anything wrong. New Castle has an 14 exemplary record. 15 MR. BOGLE: Move to strike as 16 nonresponsive. 17 BY MR. BOGLE: 18 Q My question simply was, of these 100 19 million plus doses referenced here, you know that 20 a portion of those came from your distribution 21 center -- 22 MR. COLLINS: Objection. 23 BY MR. BOGLE: 24 Q -- during this time frame, correct?</p>	<p style="text-align: right;">Page 185</p> <p>1 document. And we do have customers in West 2 Virginia. 3 BY MR. BOGLE: 4 Q Okay. But you know that -- okay. I 5 think the document speaks for itself. 6 Now, specifically in West Virginia, 7 Mace's is one of the pharmacies that New Castle 8 has serviced over time, right? 9 A I believe so. 10 Q Okay. You recall we saw Mace's Pharmacy 11 referenced in that 2007 chart which indicated them 12 exceeding their thresholds in opioids in November 13 2007. Do you recall discussing that? 14 MR. COLLINS: Objection. 15 Mischaracterization, lack of foundation, lack of 16 knowledge. 17 THE WITNESS: I do recall seeing the 18 document. I believe Mace's was on it. 19 BY MR. BOGLE: 20 Q Okay. Now, at your distribution center 21 for the conduct that occurred prior to McKesson 22 switching over to SharePoint, you actually have 23 hard copy files for many of the pharmacies that 24 you serviced, right?</p>

<p style="text-align: right;">Page 186</p> <p>1 MR. COLLINS: Objection. The question  2 is vague. In multiple ways it's vague.  3 THE WITNESS: We have Level I visits  4 documented. I believe I sent that data in.  5 BY MR. BOGLE:  6 Q As well as threshold request increases  7 prior to you guys going to SharePoint, right?  8 A Yes.  9 Q Okay. In addition, you've got any  10 documentation that was sent to you by the pharmacy  11 to review the Level Is or threshold request  12 increases during that time frame, right?  13 MR. COLLINS: Objection. The question  14 is vague.  15 THE WITNESS: I don't know that.  16 BY MR. BOGLE:  17 Q Okay. Well, you keep -- you tried to  18 keep a complete file during that time frame,  19 right?  20 MR. COLLINS: Objection. The question  21 is vague.  22 THE WITNESS: What's complete?  23 BY MR. BOGLE:  24 Q You tell me.</p>	<p style="text-align: right;">Page 188</p> <p>1 litigation, though, didn't you?  2 A Yes.  3 Q Okay. All right. I'm going to hand  4 you -- marking as Exhibit 13, also Exhibit 1.1824.  5 (Snider Exhibit No. 13 was marked  6 for identification.)  7 BY MR. BOGLE:  8 Q Okay. And you see this is a document;  9 the first page entitled "Mace's Pharmacy"; do you  10 see that?  11 A Yes.  12 Q Okay. Thereafter, this is all provided  13 to us as one document.  14 Does this look like your file from  15 Mace's Pharmacy for 2008 to 2010?  16 MR. COLLINS: Objection.  17 THE WITNESS: I don't know all of it.  18 BY MR. BOGLE:  19 Q You don't -- excuse me?  20 A I don't know all of it. I haven't seen  21 it yet.  22 Q Okay. Let's take a look at it.  23 A I'd have to go through them.  24 Q Okay. Let's take a look at it. First</p>
<p style="text-align: right;">Page 187</p> <p>1 MR. COLLINS: Wait a second.  2 BY MR. BOGLE:  3 Q You try to keep everything that a  4 customer gives you to support any threshold  5 increase that you would have approved, right?  6 MR. COLLINS: Same objection. The  7 question is vague as to time frame. Are you  8 talking about present possession of documents?  9 THE WITNESS: E-mails or phone calls, I  10 couldn't -- I couldn't tell you.  11 BY MR. BOGLE:  12 Q Okay. But we can agree that from the  13 time period when the CSMP was implemented in 2008  14 until you guys went to SharePoint, which I believe  15 was sometime in 2010, during that two or so year  16 window, there's hard copy files kept of due  17 diligence related documents at New Castle for your  18 customers, right?  19 MR. COLLINS: Objection. Assumes facts  20 not in evidence.  21 THE WITNESS: I don't have those files  22 anymore, no.  23 BY MR. BOGLE:  24 Q You turned them over for this</p>	<p style="text-align: right;">Page 189</p> <p>1 of all, if you go to page .11, do you see there's  2 a pharmacy questionnaire there dated June 4, '07?  3 Do you see that?  4 A Yes.  5 Q Okay. And you see you actually signed  6 off on this questionnaire. You're the third  7 signature down --  8 MR. COLLINS: Objection.  9 BY MR. BOGLE:  10 Q -- right?  11 MR. COLLINS: Objection to the term  12 "signed off."  13 BY MR. BOGLE:  14 Q Is that your signature, "Blaine Snider,  15 DO"?  16 A Yes.  17 Q Okay. So this is obviously something  18 you've seen before, right, this questionnaire for  19 this pharmacy?  20 A Yes.  21 Q Okay. And if you go to the next  22 page .12, number 8 on the questionnaire asks:  23 "How many prescriptions for the following products  24 does the pharmacy fill on a daily basis?"</p>

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1 And the information conveyed for  
 2 hydrocodone was 15 and oxycodone .41, and then  
 3 it's noted, "Less than half a person, OxyContin  
 4 only."  
 5 Do you see those two?  
 6 A Yes.  
 7 Q Okay. And you recall that pretty  
 8 quickly after this questionnaire was completed in  
 9 June 2007, you specifically had concerns about  
 10 whether Mace's was diverting opioids, correct?  
 11 A I don't remember.  
 12 Q Okay. Well, let's take a like at  
 13 page .49 in this document.  
 14 I'm looking at the e-mail on the bottom  
 15 of this page that carries over to the next page.  
 16 It's from you, October 9, 2007, to a Jim  
 17 Gavatorita, cc Brian Ferreira.  
 18 Do you see that?  
 19 A Yes.  
 20 Q Entitled "Mace's Hydrocodone."  
 21 A Yes.  
 22 Q Okay. And who is -- who is Jim  
 23 Gavatorita? What did he do?  
 24 A He was the executive salesperson.

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1 Q Okay. And Brian Ferreira, I think you  
 2 said was vice president/general manager?  
 3 A Yes.  
 4 Q What sort of oversight did Brian  
 5 Ferreira provide for you?  
 6 A He was in charge of the distribution  
 7 center over all the operations, my boss, and Jim  
 8 reported to him directly.  
 9 Q Reported to him, you said?  
 10 A Yeah.  
 11 Q Okay. All right. Let's go to the next  
 12 page for the substance of the e-mail.  
 13 You say: "Jim, let me know re Mace's.  
 14 Could be a good candidate for a Level II,"  
 15 question mark. "They, 868673, had 10,764 doses of  
 16 hydrocodone in July. In August it was 27,716,  
 17 possibly due to duplicate T&T orders. The account  
 18 still had 26,464 doses in September. Can you look  
 19 into? This customer and Town & Country are the  
 20 only two retail accounts that have over 20,000  
 21 doses in any of the lifestyle drugs this month."  
 22 Do you see that?  
 23 A Yes.  
 24 Q Okay. And Mace's was a -- is a pharmacy

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1 in West Virginia, right, just so we're clear?  
 2 A Yes.  
 3 Q Okay. And what ended up happening  
 4 thereafter is another visit and another  
 5 questionnaire was completed in December 2007  
 6 related to Mace's, right?  
 7 MR. COLLINS: Objection. Lack of  
 8 foundation.  
 9 BY MR. BOGLE:  
 10 Q To investigate your concerns here.  
 11 MR. COLLINS: Objection. Lack of  
 12 foundation.  
 13 THE WITNESS: I'm sorry, I'd have to  
 14 look through it.  
 15 BY MR. BOGLE:  
 16 Q Okay.  
 17 A You want me to do that?  
 18 Q We're going to go there. I'm just  
 19 asking your recollection first.  
 20 But, actually, before we go there, this  
 21 e-mail was sent October 9, 2007, and references  
 22 purchases from July, August, and September of 2007  
 23 for hydrocodone, right?  
 24 MR. COLLINS: Objection. Form.

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1 BY MR. BOGLE:  
 2 Q That's what you say.  
 3 A Yeah, as part of the Level I to get a  
 4 three-month purchase report.  
 5 Q Right. And so at this point in time, we  
 6 can see that for July, August and September of  
 7 2007, Mace's did end up actually filling more than  
 8 8,000 doses for hydrocodone, right, based on your  
 9 e-mail here?  
 10 A Okay. (Peruses document.)  
 11 I see August, September. I'm not sure  
 12 of July, but --  
 13 Q July says 10,764 doses.  
 14 A Okay.  
 15 Q That's your first or your second --  
 16 A Oh, yeah, I see that now. Yep.  
 17 Q Okay. So we can agree at least for  
 18 those three months in 2007, per your e-mail,  
 19 you're saying they got more than 8,000 doses of  
 20 hydrocodone in those months, right?  
 21 A I would say yes.  
 22 Q Okay. Let's look at --  
 23 A Now, I just want to make clear that  
 24 trade and travel order, or the T&T, that could be

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1 a duplicate that they returned. You don't know  
2 the credit. It's not in here either.  
3 Q But we do know that you don't raise that  
4 concern for September, right, in your e-mail?  
5 That was only as to August.  
6 A Right. Right.  
7 Q Okay. So let's go to the -- the  
8 pharmacy questionnaire from December 2007, which  
9 is page .60.  
10 And you see here there's "Mace's  
11 Pharmacy, December 10, 2007, Pharmacy  
12 Questionnaire." Do you see that?  
13 A Yes.  
14 Q And again, your signature appears on  
15 this page, right?  
16 A Yes.  
17 Q If we go to the next page, page .61, it  
18 says in number 8, which is the same question you  
19 asked a few months earlier of them: "How many  
20 prescriptions for the following products does the  
21 pharmacy fill on a daily basis?"  
22 Do you see here they've said, 475  
23 prescriptions for hydrocodone; 103 for oxycodone?  
24 Right?

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1 A Yes.  
2 Q That's what the form indicates.  
3 A Yes.  
4 Q Which is, you would agree with me, a  
5 huge increase from what they told you four months  
6 earlier in June 2007, right?  
7 MR. COLLINS: Objection to the form.  
8 THE WITNESS: I wouldn't agree that it's  
9 a huge increase unless I knew what kind of  
10 business they gained.  
11 BY MR. BOGLE:  
12 Q Okay. But we can agree that in  
13 June 2007, on page .12, they tell you 15  
14 prescriptions of hydrocodone a day and .41 for  
15 oxycodone. Right?  
16 A Yes, as I recall.  
17 Q And October the same year, that number  
18 has risen to 475 a day for hydrocodone and 103 a  
19 day for oxycodone, right? We can agree those are  
20 the numbers.  
21 A Yes.  
22 Q All right. Did you investigate what was  
23 causing that increase?  
24 A I don't remember.

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1 Q Okay.  
2 A Yes, it looks like I sent it -- just  
3 from what the documents show, that we did a  
4 Level I, a Level II, and then sent that up to the  
5 DRA for review, and they took it from there.  
6 Q Okay. My question is, in 2007, did you  
7 personally investigate what was causing such a  
8 significant increase over a four-month period of  
9 time in hydrocodone and oxycodone prescriptions?  
10 MR. COLLINS: Objection. Asked and  
11 answered.  
12 THE WITNESS: I don't remember.  
13 BY MR. BOGLE:  
14 Q Okay. And if you do the math, for  
15 example, on hydrocodone, at 475 prescriptions a  
16 day with an average of 30 pills a prescription, an  
17 average of 30 days, that's actually 427,500 doses  
18 a month.  
19 Do you want to do the math on that?  
20 A No, I don't.  
21 Q Okay. So if you guys are giving them  
22 20,000 or so doses a month based on your prior  
23 e-mail, how do you explain how they're prescribing  
24 this much?

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1 A I would have to go through the due  
2 diligence that was done here.  
3 Q Okay.  
4 A As you can see, there's quite a bit of  
5 documentation on this that we did for that. I  
6 don't recall everything, but I'm sure --  
7 Q Wouldn't that raise a red flag --  
8 MR. COLLINS: I'm sorry.  
9 BY MR. BOGLE:  
10 Q -- that they're using other  
11 distributors?  
12 MR. COLLINS: I'm sorry. Please let the  
13 witness finish his answer before you cut him off.  
14 I've let you do that a couple of times. I'm going  
15 to insist the witness answer.  
16 Finish your answer.  
17 BY MR. BOGLE:  
18 Q Go ahead.  
19 A I sent this up to the DRA for review.  
20 You can tell that. So I don't know what their  
21 result was. I don't know if we cut them off or --  
22 or what right now. I would have to go through  
23 this.  
24 Q Would that math indicate to you a

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1 potential red flag that they're using more  
2 distributors than just McKesson for hydrocodone  
3 and oxycodone?  
4 MR. COLLINS: Objection. Form.  
5 THE WITNESS: The increase would cause  
6 concern that I would push it up to the DRA.  
7 BY MR. BOGLE:  
8 Q Okay. Now, Mace's -- let's take a look  
9 at -- find the spot here -- the threshold change  
10 request that was submitted December 16th, 2008,  
11 which is .63 in this document.  
12 MR. COLLINS: Any time you want to  
13 review the document, go ahead.  
14 THE WITNESS: Okay.  
15 BY MR. BOGLE:  
16 Q Okay. You see here this is a threshold  
17 change form for Mace's Pharmacy in -- hope I'm  
18 pronouncing this correctly -- Philippi, West  
19 Virginia.  
20 Do you see that?  
21 A Yes.  
22 Q Do you know about how many people live  
23 in Philippi, West Virginia?  
24 A I don't.

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1 Q Is that something you guys would look at  
2 back in 2008 when evaluating a request like this?  
3 A I can't --  
4 MR. COLLINS: Object -- objection to the  
5 term we -- "you would look at."  
6 BY MR. BOGLE:  
7 Q Would you?  
8 A No, I don't know.  
9 Q Okay.  
10 A I can't speculate on that.  
11 Q Okay. So if, for example, the city of  
12 Philippi, West Virginia, had fewer than 3,000  
13 people in it around this time frame, would that  
14 raise concerns to you about how much hydrocodone  
15 you're giving this company -- this pharmacy?  
16 MR. COLLINS: Objection. Assumes facts  
17 not in evidence, lack of foundation.  
18 MR. BOGLE: Let's put it into evidence.  
19 Exhibit 14, 1.1892.  
20 (Snider Exhibit No. 14 was marked  
21 for identification.)  
22 BY MR. BOGLE:  
23 Q Here is the Census Bureau data for  
24 Philippi, West Virginia, from 2010. Do you see

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1 there's a total population there noted to be 2,966  
2 people in 2010?  
3 MR. COLLINS: Objection. Lack of  
4 foundation. You haven't established this witness  
5 has any knowledge of this.  
6 MR. BOGLE: I think that's the problem.  
7 BY MR. BOGLE:  
8 Q Do you not -- did you not know that?  
9 A I did not --  
10 MR. COLLINS: Object --  
11 THE WITNESS: Sorry.  
12 MR. COLLINS: I'm sorry. Please let me  
13 object.  
14 Argumentative. Object to the theatrics.  
15 THE WITNESS: I did not know there were  
16 2,966 people in the Philippi -- is that the whole  
17 area or is that just the town?  
18 BY MR. BOGLE:  
19 Q It's the city.  
20 A Okay.  
21 Q You didn't know that.  
22 A No.  
23 Q Okay. Let's go back and look at the  
24 threshold change form request from December 16,

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1 '08, for Mace's.  
2 Do you see here they're requesting to  
3 increase their amount 20 percent for hydrocodone,  
4 and their current threshold is set at 34,000 doses  
5 a month? Do you see that?  
6 A Yes.  
7 Q Okay. And the reason for change that's  
8 given here, it says: "Threshold is set too low  
9 for this customer. Their monthly purchases are  
10 400,000 a month. We need to increase the  
11 hydrocodone family amount by 6800 units."  
12 Do you see that?  
13 A Yes.  
14 Q There's no other reason given here for  
15 this increase, is there?  
16 A No.  
17 Q Okay. And you, in fact, signed off on  
18 this increase, right, under "Approved by DCM  
19 Blaine Snider, 12/16/08." That's your signature,  
20 right?  
21 MR. COLLINS: Objection. The question  
22 is compound. I object to the term "signed off."  
23 We've gone over and over this again.  
24 Mischaracterization of his prior testimony.



<p style="text-align: right;">Page 202</p> <p>1 MR. BOGLE: Yeah, I'm sorry. I'll --</p> <p>2 I'll withdraw the question.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Do you see where it says "Approved by"</p> <p>5 on that form?</p> <p>6 A Yes.</p> <p>7 Q Okay. Who's that below that that's</p> <p>8 noted?</p> <p>9 A Michael Oriente. He's the director of</p> <p>10 Regulatory Affairs.</p> <p>11 Q You skipped your signature, didn't you?</p> <p>12 A Oh, I thought you meant who was below my</p> <p>13 name. I apologize.</p> <p>14 Q Your name is there right below "Approved</p> <p>15 by," isn't it?</p> <p>16 A Yep.</p> <p>17 Q Okay. That's your signature, true?</p> <p>18 A To go up to the DRAs, that was the</p> <p>19 process.</p> <p>20 Q That's your signature, true?</p> <p>21 MR. COLLINS: Please let the witness</p> <p>22 finish his answer.</p> <p>23 THE WITNESS: It's true it was to go up</p> <p>24 to the DRA. Also there's attachments in here.</p>	<p style="text-align: right;">Page 204</p> <p>1 prescriptions being written, you guys -- you and</p> <p>2 Mr. Oriente actually approve an additional</p> <p>3 threshold increase for hydrocodone; is that right?</p> <p>4 MR. COLLINS: Objection.</p> <p>5 Mischaracterization, assumes facts not in</p> <p>6 evidence.</p> <p>7 You're testifying to that. He has no --</p> <p>8 he said he has no knowledge of this, and he needs</p> <p>9 to look at the documents. So --</p> <p>10 BY MR. BOGLE:</p> <p>11 Q Take a look at it. You see your</p> <p>12 signature?</p> <p>13 MR. COLLINS: You don't have all the</p> <p>14 documents here, he just pointed out.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q This is the whole file.</p> <p>17 A I keep trying to tell you my signature</p> <p>18 represents that it went to Michael Oriente, who</p> <p>19 was the director of Regulatory Affairs, who could</p> <p>20 look at all the data, make a judgment. Also he</p> <p>21 could call the customer or he could check with the</p> <p>22 federal regs or the State Board of Pharmacy.</p> <p>23 Q But I believe you told me earlier you</p> <p>24 wouldn't put your signature on something approving</p>
<p style="text-align: right;">Page 203</p> <p>1 You don't know what that was.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Oh, I looked at them. I've looked at</p> <p>4 them.</p> <p>5 A Okay.</p> <p>6 Q So what's noted here is that you</p> <p>7 approved these to go -- as you say, to go to</p> <p>8 Mr. Oriente, right?</p> <p>9 A Yes, the --</p> <p>10 Q You didn't raise any concerns that this</p> <p>11 wasn't appropriate, did you?</p> <p>12 MR. COLLINS: Objection. Argumentative.</p> <p>13 THE WITNESS: I'm sure I talked to him.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q Did -- ultimately you put your signature</p> <p>16 on this line under "Approved by," right?</p> <p>17 A Yes.</p> <p>18 Q Not disagrees with. "Approved by,"</p> <p>19 right?</p> <p>20 A Yes.</p> <p>21 Q Okay. So after these concerns are</p> <p>22 raised by you in 2007, and the subsequent</p> <p>23 questionnaire was completed in December 2007 that</p> <p>24 shows a huge spike in hydrocodone and oxycodone</p>	<p style="text-align: right;">Page 205</p> <p>1 a threshold increase request if you thought it was</p> <p>2 inappropriate, right?</p> <p>3 A If I knew it was inappropriate, I</p> <p>4 wouldn't put it on there.</p> <p>5 Q Right. Let's go to page .66 on this</p> <p>6 document.</p> <p>7 See this is another threshold change</p> <p>8 form from January 28, '09, for Mace's, and this</p> <p>9 pertains to their thresholds for oxycodone, right?</p> <p>10 A Yes.</p> <p>11 Q Okay. And you see the current threshold</p> <p>12 is noted to be 13,000 at this point in time,</p> <p>13 right?</p> <p>14 A I'm sorry. Yes.</p> <p>15 Q Okay. And there's an increase approved</p> <p>16 here to increase their oxycodone threshold by</p> <p>17 20 percent, right?</p> <p>18 A I'm sorry, I'm not seeing the 20.</p> <p>19 Q See where it says "Increase amount,</p> <p>20 20 percent"?</p> <p>21 A Oh, yes.</p> <p>22 Q Okay. And then for reason for change,</p> <p>23 it says: "Threshold is set too low for this</p> <p>24 customer. Their monthly purchases are 400,000 a</p>

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1 month. We need to increase the oxycodone family  
2 amount by 2500 units."  
3 Right, that's the reason given on this  
4 form?  
5 A Yes.  
6 Q Okay. And then there's a different  
7 signature on this. It says "BPM," and then  
8 there's some -- a signature after that. Do you  
9 know who that is?  
10 A Yes. Dale Nusser.  
11 Q I'm sorry?  
12 A Dale Nusser, my -- one of my managers.  
13 Q Okay. So Dale Nusser worked underneath  
14 you at your direction, right?  
15 A Yes.  
16 Q Okay. And this indicates it was also  
17 approved by Michael Oriente in Regulatory, right?  
18 A Oh, yes.  
19 Q Okay. All right. Let's go to page .80.  
20 You see here this is another threshold  
21 change form, December 30, 2009, for Mace's. Do  
22 you see that?  
23 A Yes.  
24 Q Okay. And at this point 9143 is the

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1 code. That's for oxycodone, correct?  
2 A I don't remember. I'm sorry.  
3 Q Okay. It says -- well, first of all,  
4 you see that under "Reason for requested change,"  
5 it says: "Tom Dadisman, pharmacist, has requested  
6 an increase of 10 percent on oxycodone due to  
7 increased number of prescriptions received per  
8 category from local doctors who are changing  
9 patients from morphine-based items to oxycodone-  
10 based items."  
11 Do you see that?  
12 A Yes.  
13 Q Okay. So this would indicate that this  
14 is related to oxycodone based on the --  
15 A Yes.  
16 Q -- request, right? Okay.  
17 And that's the only information  
18 supporting this request that's located here,  
19 right?  
20 MR. COLLINS: Objection. Form.  
21 THE WITNESS: That I can see, yes.  
22 BY MR. BOGLE:  
23 Q Okay. And if you see anything else,  
24 please let me know.

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1 A Okay.  
2 Q This is noted to be a permanent change,  
3 right?  
4 A Yes.  
5 Q Increasing their threshold from 17,600  
6 doses a month by 10 percent, right?  
7 A Yes.  
8 Q Okay. Submitted by you, right? That's  
9 your signature. Right?  
10 A Yes.  
11 Q Okay. And also John Kuczynski of sales  
12 and approved by Michael Oriente, right?  
13 A Yes.  
14 Q Okay. Do you see any evidence from  
15 around this time frame in December 2009 in this  
16 file that you actually got any prescription data  
17 to support this?  
18 A I don't know. I'd have to go through  
19 it.  
20 Q Yeah.  
21 MR. BOGLE: Let's go off the record.  
22 You can go through it.  
23 MR. COLLINS: No, no, we're going to  
24 stay on the record.

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1 MR. BOGLE: We don't need to stay on the  
2 record. If he wants time to look at it, he can,  
3 but don't stay on the record. There's no such  
4 requirement.  
5 MR. COLLINS: Well, listen, to go off  
6 the record, you need an agreement. So if you want  
7 to have him start leafing through documents, we're  
8 staying on the record.  
9 MR. BOGLE: Okay. That's fine. We'll  
10 do that.  
11 BY MR. BOGLE:  
12 Q You can't point me to anything that  
13 shows that you requested any prescription data,  
14 can you?  
15 MR. COLLINS: He just asked to go  
16 through documents. You want him to go through  
17 documents --  
18 MR. BOGLE: He's not going to blow  
19 through hours of my time looking at something that  
20 he should already be familiar with.  
21 MR. COLLINS: Well, no, he -- this isn't  
22 a 30(b)(6) deposition.  
23 MR. BOGLE: Doesn't have to be.  
24 MR. COLLINS: This is in his personal

<p style="text-align: right;">Page 210</p> <p>1 capacity. So, listen, if you want him to look 2 through documents, he will do it for you, but it's 3 on your time. 4 Take as much time as you want. 5 THE WITNESS: (Peruses document.) 6 BY MR. BOGLE: 7 Q We're in December 2009. 8 A (Peruses document.) 9 On the questionnaire on page .13, Dale 10 reviewed the scripts. 11 Q .13? 12 A Yes. 13 Q So that's from June 2007, right? 14 A Yes. 15 Q Okay. We're talking about December 16 2009. 17 A Oh. 18 Q And a specific increase that they're 19 saying -- in request in December 2009. 20 A (Peruses document.) 21 Q All right. I've got too many documents 22 to go through. I'll strike the question and keep 23 going. 24 Let's look at page .84.</p>	<p style="text-align: right;">Page 212</p> <p>1 page, that request was approved by Dale Nusser, 2 who I think you indicated works for you, and 3 Michael Oriente. Do you see that? 4 A I see it was approved by Michael 5 Oriente, the director of Regulatory Affairs, and 6 the change was made. 7 Q Do you see it says "Dale Nusser, 8 approved 10/28/2010" right above that? 9 A By approved, Dale was one of my 10 managers. He sent it up to the director of 11 Regulatory Affairs so he could run the scripts and 12 the numbers. 13 Q So he sent it up there 10/28/2010 at 14 3:19 p.m. Three minutes later it was approved by 15 Mr. Oriente. That's what this indicates? 16 MR. COLLINS: Objection. Lack of 17 foundation. Lack of witness's knowledge. 18 THE WITNESS: I -- it may indicate phone 19 calls, conversations and data, especially the 20 script data. 21 BY MR. BOGLE: 22 Q What this document says is: "DC 23 approval date, Dale Nusser, 10/28/2010, 3:19," 24 right? That's what the document says.</p>
<p style="text-align: right;">Page 211</p> <p>1 You see there's another threshold change 2 request. This looks like it's done through 3 SharePoint, 10/28/2010 for oxycodone. Do you see 4 that? 5 A Yeah, I'm not familiar with these. I 6 don't get these copies like this. This is for the 7 director of Regulatory Affairs. It says 8 "Pharmacy Regulatory Affairs." 9 Q You guys keep these files in your 10 distribution center, though, don't you? 11 A I do not. 12 Q You don't? 13 A I do not. 14 Q Okay. That's where it's been 15 represented this came from, but okay. 16 A It's -- it's on SharePoint. 17 Q Okay. So supporting information, it 18 says: "Competitor down the street does not order 19 controls, which elevates their business." 20 And the request is for a permanent 21 increase due to business growth of 600 doses for 22 oxycodone for Mace's. Do you see that? 23 A Yes. 24 Q Okay. And it shows that, on the next</p>	<p style="text-align: right;">Page 213</p> <p>1 A That's what it says. 2 MR. COLLINS: Objection. 3 BY MR. BOGLE: 4 Q Okay. And it says approval date for 5 Mr. Oriente, 10/28/2010, 3:22 p.m. That's what 6 the document says, right? 7 A Yes. It's through SharePoint, so it's 8 an automated system. 9 Q Right. But it's an automated system 10 that can keep track of time, can't it? 11 A Yes. But it doesn't keep track of the 12 time that they did the due diligence. 13 Q Right. Well, it shows that three 14 minutes after this was sent to Mr. Oriente -- 15 A It doesn't show -- 16 Q -- he approved it. 17 A It doesn't show the time between what 18 Dale did and what Michael did on -- look at the 19 scripts or whatever, it does not show that. 20 Q What it show is it was sent to 21 Mr. Oriente, and three minutes later he approved 22 it. That's what it shows. 23 MR. COLLINS: Objection. 24 Mischaracterization.</p>

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1 MR. BOGLE: It's what the document says.  
 2 The document speaks for itself.  
 3 MR. COLLINS: Objection.  
 4 Mischaracterization --  
 5 MR. BOGLE: You can put whatever you  
 6 want on top if it, that's what the document says.  
 7 THE WITNESS: I just want to put on the  
 8 record that you don't know the due diligence  
 9 there.  
 10 BY MR. BOGLE:  
 11 Q Right. But the due diligence that --  
 12 would be in this file, wouldn't it?  
 13 MR. COLLINS: Objection. The witness  
 14 has testified --  
 15 BY MR. BOGLE:  
 16 Q And our jury can look at that and decide  
 17 for themselves, right?  
 18 A Not necessarily. Michael --  
 19 Q Okay.  
 20 A Michael could have done that on the  
 21 internet, had the scripts. It may not -- it  
 22 wouldn't be in my file.  
 23 Q But you don't have any idea whether he  
 24 actually did that, do you? You're just saying he

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1 may have.  
 2 A I don't know.  
 3 Q Right. What we do know is this was  
 4 approved, right, 10/28/2010, increasing the  
 5 oxycodone threshold, right?  
 6 A Yes. It says, "Approved, Michael."  
 7 Q And the reason for TCR, as noted on  
 8 page .84, is noted as business growth, right?  
 9 A It says: "Competitor down the street  
 10 does not order controls, which elevates their  
 11 business." And they -- they were one of our  
 12 largest customers.  
 13 Q Stay with me. "Reason for TCR" --  
 14 A Oh, sorry.  
 15 Q -- it says "Permanent business growth,"  
 16 right?  
 17 A I was going --  
 18 MR. COLLINS: It says more than that.  
 19 I'm sorry.  
 20 BY MR. BOGLE:  
 21 Q It should be supported by corresponding  
 22 sales increase.  
 23 A You aren't telling the whole story.  
 24 Supporting information is there too.

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1 Q For this increase?  
 2 A That's important. Yes.  
 3 Q That their competitor doesn't sell  
 4 controls, right?  
 5 A Yes.  
 6 Q Okay. But it says: "Business growth  
 7 should be supported by corresponding sales  
 8 increase." Right? That's what it says.  
 9 A It says that also, yes.  
 10 Q All right. So that should be somewhere  
 11 that we can locate, right, that such documentation  
 12 exists to support that statement, right?  
 13 MR. COLLINS: Objection. Assumes facts  
 14 not in evidence. Assumes it's reflected in  
 15 documents.  
 16 BY MR. BOGLE:  
 17 Q True?  
 18 A I don't know that.  
 19 Q But we know it should be supported by a  
 20 corresponding sales increase, right?  
 21 A I can't testify to what I don't know.  
 22 Q Okay. But you do know, as we talked  
 23 about before, that when a request is made for a  
 24 TCR increase based on business growth, you have to

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1 have supporting documentation for that, right?  
 2 A The director of Regulatory Affairs had  
 3 the supporting documentation, and the program  
 4 changed 2007 on.  
 5 MR. BOGLE: Move to strike as  
 6 nonresponsive.  
 7 BY MR. BOGLE:  
 8 Q My question simply was, under the CSMP,  
 9 you must have supporting documentation to support  
 10 a threshold increase based on business growth,  
 11 true?  
 12 A It depends on the era. 2000 to 2006, I  
 13 did not have supporting document.  
 14 Q Okay. What about 10/28/2010, you should  
 15 have documentation to support that?  
 16 A I don't necessarily have it.  
 17 Q Okay. That should be in the McKesson  
 18 file, shouldn't it?  
 19 A I don't know.  
 20 Q Okay. But you do know the CSMP requires  
 21 that, right, documentation?  
 22 A Not on my file, no.  
 23 Q That's not my question, sir.  
 24 The CSMP requires documentation

<p style="text-align: right;">Page 218</p> <p>1 supporting any change made to a threshold based on  2 business growth, right?  3 MR. COLLINS: Objection. Assumes facts  4 not in evidence.  5 BY MR. BOGLE:  6 Q We just looked at this a few minutes  7 ago.  8 MR. COLLINS: Objection. Show it to him  9 again.  10 BY MR. BOGLE:  11 Q You don't recall that?  12 A I'm sorry. I don't -- you'll have to  13 repeat the question.  14 Q My question was, to support a threshold  15 change based on business growth, supporting  16 documentation is required under the CSMP, right?  17 MR. COLLINS: Objection. Assumes --  18 BY MR. BOGLE:  19 Q As of 10/2010?  20 MR. COLLINS: Objection. Assumes facts  21 not in evidence.  22 THE WITNESS: I don't know that that  23 wasn't provided.  24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 220</p> <p>1 documentation if the CSMP was followed, right?  2 I'm not saying in your files or whose files. It  3 should be in somebody's files.  4 A I don't know that.  5 Q You don't know.  6 A I can't testify to what's in their  7 files.  8 Q I didn't ask -- I didn't say "is it." I  9 said "should it be."  10 A I can't --  11 MR. COLLINS: Objection. Calls for a  12 legal conclusion.  13 THE WITNESS: I can't testify. It was  14 electronic.  15 BY MR. BOGLE:  16 Q Okay. Was there a policy at McKesson in  17 2010 to destroy evidence of due diligence review?  18 MR. COLLINS: Objection. Argumentative.  19 Object to the theatrics.  20 BY MR. BOGLE:  21 Q There's a question.  22 A Can you repeat the question?  23 Q Was there a policy written or unwritten  24 at McKesson in October 2010 to destroy evidence of</p>
<p style="text-align: right;">Page 219</p> <p>1 Q Not my question, sir. That was  2 required, wasn't it?  3 MR. COLLINS: Objection. Form.  4 BY MR. BOGLE:  5 Q Yes or no?  6 MR. COLLINS: Objection.  7 BY MR. BOGLE:  8 Q Or you don't know?  9 MR. COLLINS: Objection to form.  10 THE WITNESS: I don't know.  11 BY MR. BOGLE:  12 Q You don't know if that was required?  13 A It was required for Michael maybe, but  14 not for me.  15 Q Okay. So you -- so for Dale Nusser to  16 sign off on his portion, he didn't need any  17 documentation to support this.  18 A Correct.  19 Q Okay. But Michael, you understand,  20 Oriente would?  21 A Yes.  22 Q Okay. So in the McKesson files that  23 have been produced to us pertaining to this  24 increase, we should find some supporting</p>	<p style="text-align: right;">Page 221</p> <p>1 due diligence review?  2 MR. COLLINS: Object to the theatrics  3 and the argument.  4 THE WITNESS: No.  5 BY MR. BOGLE:  6 Q Okay. Target, that's another -- that's  7 another large customer for McKesson over time,  8 right?  9 MR. COLLINS: Objection. Form, vague.  10 THE WITNESS: They aren't our customer  11 anymore.  12 BY MR. BOGLE:  13 Q Okay. Back in 2008, they were, right?  14 A I would -- I would think, yes.  15 Q Okay. Let's take a look at Exhibit 15,  16 which is 1.1782.  17 (Snider Exhibit No. 15 was marked  18 for identification.)  19 Q All right. This is another file that  20 was produced to us. You see it's pertaining to  21 Target No. 2231. Do you see that?  22 A Yes.  23 Q Okay. Let's start back at page .7.  24 There's an e-mail chain there.</p>



<p style="text-align: right;">Page 222</p> <p>1 And do you see the e-mail at the bottom  2 of that page from Dave Gustin to Michael Bishop  3 dated September 16, 2008, titled "Could you do me  4 a favor?" Do you see that?  5 A Yes.  6 Q Okay. It says there: "I just need a  7 TCR form you signed and dated the 30th. I will  8 use it for the 30 percent increases I made for the  9 RNAs that day after you e-mailed me all those  10 reports."  11 Do you see that?  12 A Yes.  13 Q And then Mr. Bishop responds: "This is  14 the Thanksgiving increases," question mark.  15 Do you see that?  16 A Yes.  17 Q Okay. And if you follow the e-mail  18 chain to the next page, Mr. Gustin says: "Yep,  19 11/28."  20 Do you see that?  21 A Yes.  22 Q Okay. Then if you go to page .5, it's  23 another e-mail from Dave Gustin to several  24 individuals, December 17, 2008. It says: "All:</p>	<p style="text-align: right;">Page 224</p> <p>1 A Yes, it was. Sometimes the vendors --  2 like I just got a notice today, the vendors close  3 during the holidays and product is unavailable.  4 And my customers know that too, hospitals, nursing  5 homes, pharmacies. So at that time they want to  6 make sure they get it before the pharmacy closes.  7 Q And that's a justification to increase  8 30 percent permanently?  9 A I believe so. It looks like it was  10 approved.  11 Q Okay. So each time that a big holiday  12 would come, thereafter you get 30 more percent  13 increase permanently?  14 MR. COLLINS: Objection.  15 BY MR. BOGLE:  16 Q Is that what you're saying?  17 MR. COLLINS: Objection.  18 Mischaracterization.  19 THE WITNESS: I did not say that.  20 BY MR. BOGLE:  21 Q Okay. Well, you're saying the 30  22 percent increase here was justified by the fact  23 that it was a Thanksgiving holiday and that could  24 justify a permanent increase, right?</p>
<p style="text-align: right;">Page 223</p> <p>1 On November 28, I was sent requests by Michael for  2 over 200 thresholds to get 30 percent increases  3 for various national accounts. The attached TCR  4 form covers all RNA increases made that date.  5 Please sign and file."  6 Do you see that?  7 A Yes.  8 Q Okay. And if you go to page .4, it's a  9 threshold change form from 11/28/08, the same day.  10 Do you see that? It's referenced earlier by  11 Mr. Gustin.  12 A Yes.  13 Q And it's noted to be for various  14 controlled substances, right?  15 A Yes.  16 Q And a 30 percent increase. Do you see  17 that?  18 A Yes.  19 Q What's the reason for the change given  20 there on the form?  21 A Thanksgiving holiday.  22 Q Okay. Do -- was it a McKesson policy in  23 2008 to give permanent threshold increases based  24 on holidays?</p>	<p style="text-align: right;">Page 225</p> <p>1 MR. COLLINS: Objection.  2 Mischaracterization.  3 THE WITNESS: I don't know the due  4 diligence that Dave did, but he was the national  5 acts DRA and he justified it.  6 BY MR. BOGLE:  7 Q Okay. Well, the reason for change given  8 here is what we just read, increase due to  9 Thanksgiving holiday, 30 percent increase, right?  10 A That's what -- did I say that?  11 Q That's what's stated here for reason for  12 change, right? It's what the form says.  13 A Who -- oh, the form, yes.  14 Q Right.  15 A Okay.  16 Q And under "Approved by," whose signature  17 is that?  18 A Blaine Snider. "B. Snider."  19 Q That's you, right?  20 A Yep.  21 Q And if we go to page .2, this is another  22 threshold change form from 11/28/08 for the Target  23 store in Triadelphia, West Virginia. Do you see  24 that?</p>

<p style="text-align: right;">Page 226</p> <p>1 A Yes.</p> <p>2 Q Okay. And this is for a 30 percent</p> <p>3 increase to their morphine thresholds, and under</p> <p>4 "Reason for change," you would agree with me there</p> <p>5 is nothing listed there, right?</p> <p>6 A Yes.</p> <p>7 Q Okay. And again, under "Approved by,"</p> <p>8 that's your signature, isn't it?</p> <p>9 A That I sent it to Regulatory, if I did.</p> <p>10 Q That's your signature, isn't it?</p> <p>11 A Yes.</p> <p>12 Q Okay. Did you raise any questions as to</p> <p>13 why there was no reason given to you here?</p> <p>14 A I don't even know that it was -- the</p> <p>15 threshold was increased.</p> <p>16 Q Well, it says "Approved by."</p> <p>17 MR. COLLINS: Objection. We've been</p> <p>18 over this --</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Right?</p> <p>21 MR. COLLINS: -- a dozen times.</p> <p>22 Objection. Mischaracterization.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q Right?</p>	<p style="text-align: right;">Page 228</p> <p>1 THE WITNESS: I don't know that.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q You don't know if there's any reason</p> <p>4 listed?</p> <p>5 A Correct.</p> <p>6 Q Okay. Can you see the form?</p> <p>7 A Yes.</p> <p>8 Q Okay. Do you see any indication on this</p> <p>9 form that you disapproved this request with zero</p> <p>10 information provided for a reason?</p> <p>11 MR. COLLINS: Object to the terminology,</p> <p>12 "disapproved" and "approved."</p> <p>13 THE WITNESS: I dispute that there</p> <p>14 was -- wasn't any evidence of that.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q Well, we've got the file right here.</p> <p>17 This one -- this one's shorter, so this is eight</p> <p>18 pages. I'd like you to show me where in this file</p> <p>19 there is specific documentary evidence showing why</p> <p>20 a Target in West Virginia needed a 30 percent</p> <p>21 increase on this date.</p> <p>22 A Okay. On page .6.</p> <p>23 Q .6. Okay.</p> <p>24 A There was an e-mail on December 17th</p>
<p style="text-align: right;">Page 227</p> <p>1 A That does not mean I approved it. I</p> <p>2 cannot send a -- make a threshold change. I can't</p> <p>3 do it.</p> <p>4 Q But you didn't raise any concerns at</p> <p>5 this point in time about forwarding this on to --</p> <p>6 A There's nothing on this paper --</p> <p>7 Q -- approve it, correct?</p> <p>8 A There's nothing on this paper that says</p> <p>9 he approved it or raised any concerns.</p> <p>10 Q There's nothing on this paper that</p> <p>11 indicates that you raised any concerns or in this</p> <p>12 file that indicates that you raised any concerns</p> <p>13 about this threshold change form, does it?</p> <p>14 A I don't know if it even was complied</p> <p>15 with.</p> <p>16 MR. BOGLE: Okay. Not my question, sir.</p> <p>17 Move to strike as nonresponsive.</p> <p>18 BY MR. BOGLE:</p> <p>19 Q There's nothing in this file that</p> <p>20 indicates you raised concerns about the lack of</p> <p>21 reason for threshold increase in this form, is</p> <p>22 there?</p> <p>23 MR. COLLINS: Objection. Foundation,</p> <p>24 form.</p>	<p style="text-align: right;">Page 229</p> <p>1 about a -- with an attachment threshold change</p> <p>2 form, that could have had the reason on it. I</p> <p>3 don't know. It's -- it's not here.</p> <p>4 Q Okay. This is what was produced to us.</p> <p>5 Can you point to anything that was produced to us</p> <p>6 in this file that indicates a reason for this</p> <p>7 threshold change increase?</p> <p>8 MR. COLLINS: Objection. Asked and</p> <p>9 answered.</p> <p>10 THE WITNESS: Not to my knowledge.</p> <p>11 BY MR. BOGLE:</p> <p>12 Q Okay. Best Care Pharmacy, are you</p> <p>13 familiar with them?</p> <p>14 A I -- I do know them, yes.</p> <p>15 Q It's another one of New Castle's former</p> <p>16 customers in West Virginia, right?</p> <p>17 A Yes.</p> <p>18 Q Okay. And actually, Best Care actually</p> <p>19 operated multiple pharmacies in West Virginia,</p> <p>20 didn't they?</p> <p>21 A As I recall.</p> <p>22 (Snider Exhibit No. 16 was marked</p> <p>23 for identification.)</p> <p>24 BY MR. BOGLE:</p>

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1 Q Okay. I'm going to hand you what is  
2 marked as 1.1812, Exhibit 16.  
3 You see here this is another document,  
4 file folder document with the name "Best Care" on  
5 the front.  
6 Do you see that?  
7 A Yes.  
8 Q Okay. And if we go to page .10, do you  
9 see this is your signature related to an approval  
10 that a questionnaire has been completed and  
11 affidavit signed for this customer, right?  
12 A It's a -- I testified that it's a  
13 Level I observation form.  
14 Q No, .10.  
15 A I testified that that's a Level I  
16 observation form.  
17 Q We may be on different pages.  
18 Do you see what's pulled up here on the  
19 screen?  
20 A Yes.  
21 Q Okay. That's your signature related to  
22 Best Care Pharmacy, you are saying for, what, a  
23 Level I observation?  
24 A Yes. It says "CSMP Observation Level I

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1 Documentation Form."  
2 Q On this page?  
3 MR. COLLINS: Page 9.  
4 THE WITNESS: Oh, I'm sorry. It's a --  
5 it's a continuation of that.  
6 BY MR. BOGLE:  
7 Q Okay. Well, let's look at the pharmacy  
8 questionnaire that follows thereafter.  
9 A Okay.  
10 Q You see this customer is noted to be a  
11 new customer as of October 1, 2009, right?  
12 A Yes.  
13 Q And it's for Best Care Pharmacy in  
14 Weston, West Virginia. Do you see that?  
15 A Yes.  
16 Q Okay. Do you know about how many people  
17 lift in Weston, West Virginia?  
18 A A lot more than Philippi.  
19 Q Think so?  
20 A Yes.  
21 Q Okay. Would it surprise you that it's  
22 fewer than 5,000 people?  
23 A In that area?  
24 Q In Weston, West Virginia.

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1 A Yes.  
2 Q That would surprise you?  
3 A Yes.  
4 (Snider Exhibit No. 17 was marked  
5 for identification.)  
6 BY MR. BOGLE:  
7 Q I hand you Exhibit 1.1909 marked as  
8 Exhibit 17.  
9 It says: "Population data for Weston,  
10 West Virginia," indicated to have a population of  
11 4,085 people. Do you see that?  
12 MR. COLLINS: Objection. Lack of  
13 foundation, lack of authentication, lack of  
14 knowledge.  
15 THE WITNESS: What year is this, please?  
16 BY MR. BOGLE:  
17 Q This is the current data.  
18 MR. COLLINS: Yeah, I mean -- it's the  
19 internet, it's accurate.  
20 THE WITNESS: What's that?  
21 MR. BOGLE: Well, I'm sure you guys are  
22 going to produce census data that shows otherwise,  
23 so we'll just wait to see that.  
24 MR. COLLINS: I'll withdraw my

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1 objection.  
2 MR. BOGLE: I would hope so.  
3 MR. COLLINS: It's a lack of foundation,  
4 lack of knowledge.  
5 BY MR. BOGLE:  
6 Q 4,085 people, right? That's what it  
7 says.  
8 A That's what it says right here.  
9 Q Right. That's wrong; is that your  
10 testimony?  
11 MR. COLLINS: Objection. Lack of  
12 foundation. You haven't established the witness  
13 has any knowledge about this issue.  
14 MR. BOGLE: Well, he said he thought it  
15 was wrong.  
16 THE WITNESS: I said I was surprised,  
17 and I am. I'm sorry.  
18 BY MR. BOGLE:  
19 Q You're surprised?  
20 A Yes.  
21 Q Okay. All right. Let's go back to  
22 Exhibit 1.1812, back on .11. See the pharmacist's  
23 name there is a Matthew Genin. Do you see that?  
24 A Yes.

<p style="text-align: right;">Page 234</p> <p>1 Q Okay. And further on in this form,  2 page .14, under "Purchasing Information," it's  3 asked what percentage of their purchases are  4 controlled substances, and they indicate 40  5 percent. Right?  6 MR. COLLINS: Sorry. Where are you?  7 BY MR. BOGLE:  8 Q Page .14 under Section IV(c).  9 Right?  10 A Yes.  11 Q And this was, if you look at the next  12 page, as of October 2009. Do you see that's when  13 all this form was signed?  14 A Yes.  15 Q Okay. That in and of itself would be  16 a red flag for potential diversion, right, that  17 40 percent of their purchases are controlled  18 substances?  19 MR. COLLINS: Objection. Form.  20 THE WITNESS: I would have sent this up  21 to the DRA to make sure they vet it out.  22 BY MR. BOGLE:  23 Q I'm asking your opinion, though, sir.  24 40 percent, is that a red flag to you?</p>	<p style="text-align: right;">Page 236</p> <p>1 MR. COLLINS: Objection. Asked and  2 answered.  3 THE WITNESS: It depends on their  4 business.  5 BY MR. BOGLE:  6 Q Okay. That's -- that's well above the  7 norm, isn't it?  8 A It's above the average, yes.  9 Q Yeah. If you go to the next page,  10 page .15, they provide more detail on their  11 controlled substance purchases. They indicate  12 6,199 doses dispensed per month for hydrocodone.  13 Do you see that?  14 A Yes.  15 Q And 4,905 doses of oxycodone per month  16 is what they are telling you, right, as of this  17 time?  18 A Yes.  19 Q Okay. And there's a request for  20 anything over 5,000 to provide a reason, which is  21 indicated as -- they underlined "Frequent  22 referrals from pain clinics," et cetera. Do you  23 see that?  24 A Yes.</p>
<p style="text-align: right;">Page 235</p> <p>1 A And my opinion is I definitely would  2 send this up to the DRA so they can vet it out,  3 yes.  4 Q Because that's a concern, right, 40  5 percent?  6 A I would send it to the DRA so they could  7 vet it out for sure.  8 Q Because that's a concern. 40 percent of  9 their purchases being controlled substances, that  10 is a concern, a potential red flag, right?  11 A At the time I don't remember, but I know  12 I sent it up to the DRA for vetting out.  13 Q Okay. My question was simply whether  14 that would be concerning to you in October 2009,  15 when you signed this form.  16 A I don't know that --  17 Q When you read this form, you don't know?  18 A I don't know that when I signed that.  19 Q Okay.  20 A There's documentation as to why, and  21 then they do their due diligence. That's part of  22 the process of that year also.  23 Q But 40 percent is a high figure, right,  24 for controlled substances?</p>	<p style="text-align: right;">Page 237</p> <p>1 Q Okay. Again, that's a potential red  2 flag if they're getting frequent referrals from  3 pain clinics, right? We talked about that  4 earlier.  5 MR. COLLINS: Objection. Form,  6 compound.  7 THE WITNESS: That one I would do the  8 due diligence on for sure.  9 BY MR. BOGLE:  10 Q Right.  11 A And send it up to the director of  12 Regulatory Affairs, yes.  13 Q And you would hope that they would vet  14 that closely, right?  15 A Yes.  16 Q That issue.  17 All right. Let's go to page .43.  18 So you've got a threshold change form  19 here from -- dated October 9, 2009. Do you see  20 that?  21 A Yes.  22 Q Okay. And this is for a permanent  23 change regarding 9193, which I will represent is  24 hydrocodone. That's y'all's code for hydrocodone.</p>

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1 Do you see that code listed there?

2 A Where is that listed?

3 Q "CS requested" -- 9191 is slashed

4 through and 9193 is written.

5 A Oh, on the left. I'm sorry.

6 Q Yeah. Do you see that?

7 A 9193, yes.

8 Q Okay. And if you see here, the current

9 threshold at this point in time in October 2009 is

10 8,000, and they're requesting an increase by

11 12,000 additional doses.

12 Do you see that?

13 A Sorry. It says 5,000.

14 MR. COLLINS: I'm -- I'm confused, and I

15 think the witness is too.

16 BY MR. BOGLE:

17 Q Current threshold, 8,000. Do you see

18 that?

19 A No, I don't see 8,000.

20 MR. COLLINS: I don't see it either.

21 BY MR. BOGLE:

22 Q On .43. Let me check my page here.

23 All right. So, I'm sorry. Actually,

24 it's .44. My fault.

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1 A Okay.

2 Q All right. So this is -- let's go back

3 and make sure we're talking about the same thing.

4 October 9, 2009, threshold change form,

5 right?

6 A Yes.

7 Q For Best Care, right?

8 A Yes.

9 Q 9193 is the base code entered, which

10 again I'll represent to you is hydrocodone.

11 That's how you guys code that.

12 A Yes.

13 Q Okay. And you see the current threshold

14 is at 8,000.

15 A Yes.

16 Q It's a permanent -- request for a

17 permanent increase, right?

18 A Yes.

19 Q Increase by 12,000 units, right?

20 A Yes.

21 Q And this threshold change request was

22 submitted on October 9, 2009, by you, correct?

23 A Yes.

24 Q Okay. And under "Reason for requested

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1 change," what's provided there?

2 A Nothing. Just the date.

3 Q And if we go then to the next form --

4 A If I could say on there, also it says

5 "Question of declaration on file: Yes, dated

6 10/1/09." So someone was just in there nine days

7 before this threshold request.

8 MR. BOGLE: Move to strike as

9 nonresponsive.

10 BY MR. BOGLE:

11 Q I asked you what was written there under

12 "Reason for requested change" section.

13 MR. COLLINS: His answer is what it is.

14 BY MR. BOGLE:

15 Q All right. Let's go to Bates page

16 ending 4225, since my pages are wrong on this

17 document, which is bottom right, 4225.

18 It's another threshold change form,

19 October 26, 2009, for a permanent change for

20 hydrocodone for Best Care.

21 Do you see that?

22 A Yes.

23 Q Okay. And at this point because the

24 threshold has just been increased a couple of

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1 weeks earlier, which we just saw, now their

2 current threshold is at 20,000, right?

3 A I don't remember when the other one was.

4 Q Sure. We just looked at it. We can

5 look at it again.

6 A If you can just give me the date, I

7 would be fine.

8 Q It was October 9, 2009 is what we just

9 looked at. I can take you back to that page if

10 you want.

11 A Okay. And this one is --

12 Q So here you go, page -- Bates page

13 ending 4227, two pages later as the one we just

14 looked at.

15 A Yes.

16 Q Okay. We see hydrocodone, there's a

17 requested increase from 8 to 20.

18 A Yes.

19 Q Okay. Which was submitted by you that

20 day. So we're now a couple of weeks later, same

21 product, we show the threshold is 20,000, which

22 you indicated it was approved previously, right?

23 A Yes.

24 Q Okay. And now there's a request for an



<p style="text-align: right;">Page 242</p> <p>1 additional 5,000 dosage units for hydrocodone,  2 right?  3 A Yes.  4 Q Okay. And is there any specific reason  5 for the requested change given here?  6 A It says questionnaire declaration was  7 done two weeks previously, or a week and a half.  8 And it was a new customer.  9 Q Okay. My question was, under "Reason  10 for requested change," what's the reason provided  11 there?  12 MR. COLLINS: Asked and answered.  13 THE WITNESS: Only that I referenced the  14 questionnaire and declaration on file.  15 BY MR. BOGLE:  16 Q Right. You don't give any specific  17 reason for the change that's being requested, do  18 you?  19 MR. COLLINS: Objection.  20 Mischaracterization, asked and answered.  21 THE WITNESS: Only that I would  22 reference the questionnaire.  23 BY MR. BOGLE:  24 Q Right. There's no documented reason why</p>	<p style="text-align: right;">Page 244</p> <p>1 written there, nothing, right?  2 MR. COLLINS: Object. That's a  3 mischaracterization of the document and his  4 testimony.  5 THE WITNESS: The document says: "Refer  6 to questionnaire or -- and declaration on file  7 10/1/09." So that was within nine days.  8 BY MR. BOGLE:  9 Q No, this is now three weeks, and you  10 already increased it after that.  11 A Right.  12 Q What I'm saying, though, this whole  13 "Reason for requested change" section is supposed  14 to be completed, right? You don't just refer to a  15 declaration. That's the whole purpose of this,  16 right, you document your reason for the business  17 change?  18 MR. COLLINS: Objection.  19 BY MR. BOGLE:  20 Q You don't say "See declaration."  21 MR. COLLINS: Objection.  22 BY MR. BOGLE:  23 Q Right?  24 MR. COLLINS: There's about four</p>
<p style="text-align: right;">Page 243</p> <p>1 there's an increase here, especially given that  2 you've already increased it just two weeks before.  3 Right?  4 MR. COLLINS: Objection. It's a  5 mischaracterization of the document and his prior  6 testimony.  7 MR. BOGLE: So I'll strike that.  8 BY MR. BOGLE:  9 Q We can agree this was increased just two  10 weeks prior, right?  11 A Yes.  12 Q Okay. And we can agree there's an  13 additional request being submitted two weeks later  14 without any additional documentation supporting  15 why they would need 5,000 more doses a month just  16 two weeks later, is there?  17 MR. COLLINS: Objection.  18 Mischaracterization of the document and his prior  19 testimony.  20 THE WITNESS: I would have to reference  21 the questionnaire and the visit.  22 BY MR. BOGLE:  23 Q Right. So -- but for the reason for  24 requested change, we can agree there is zip</p>	<p style="text-align: right;">Page 245</p> <p>1 questions within one. Compound, form, asked and  2 answered.  3 BY MR. BOGLE:  4 Q Sure, I'll reask it.  5 The reason for requested change  6 is supposed to be -- there's supposed to be a  7 written reason documented as to why this change is  8 needed, right?  9 A In totality, I would have to refer to  10 the questionnaire on file.  11 MR. BOGLE: Move to strike as  12 nonresponsive.  13 BY MR. BOGLE:  14 Q "Reason for requested change, be  15 specific."  16 MR. COLLINS: If that's --  17 BY MR. BOGLE:  18 Q That's what it says, right?  19 MR. COLLINS: If that's a question,  20 objection. Asked and answered.  21 BY MR. BOGLE:  22 Q Does it say "Be specific"?  23 MR. COLLINS: Objection. Asked and  24 answered multiple times.</p>

<p style="text-align: right;">Page 246</p> <p>1 BY MR. BOGLE:</p> <p>2 Q Does it say "Be specific"?</p> <p>3 A And I had the same response: Be</p> <p>4 specific, and refer to the questionnaire and</p> <p>5 declaration on file.</p> <p>6 Q Does it say, "Be specific, please refer</p> <p>7 to questionnaire"? Does that say that's good</p> <p>8 enough?</p> <p>9 A It's right underneath that.</p> <p>10 Q No, you -- it says "Questionnaire or</p> <p>11 declaration." It just asks whether it's there.</p> <p>12 It doesn't say that that's sufficient, does it?</p> <p>13 A It's -- it's --</p> <p>14 MR. COLLINS: Objection. Argumentative.</p> <p>15 I would ask you to move on to something else.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q So is it your testimony that your</p> <p>18 understanding that as of 2009, you could simply</p> <p>19 put "See questionnaire," and that was fine?</p> <p>20 MR. COLLINS: Objection.</p> <p>21 BY MR. BOGLE:</p> <p>22 Q Or "See declaration," and that was --</p> <p>23 that was justified to increase any threshold based</p> <p>24 on that?</p>	<p style="text-align: right;">Page 248</p> <p>1 A I did.</p> <p>2 Q -- requested increase 10/9?</p> <p>3 A And it's a new customer, yes.</p> <p>4 Q Okay. But this is the second increase</p> <p>5 in a month.</p> <p>6 A Yes.</p> <p>7 Q And there's -- you would agree with me,</p> <p>8 other than saying "Questionnaire and declaration</p> <p>9 on file, yes," there's no written justification</p> <p>10 here provided, right?</p> <p>11 MR. COLLINS: Objection.</p> <p>12 Mischaracterization. It's been asked and</p> <p>13 answered.</p> <p>14 THE WITNESS: I would agree to reference</p> <p>15 the questionnaire and also the DRA's approval.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q So the questionnaire, which tells us how</p> <p>18 much they're dispensing of controlled substances,</p> <p>19 and the declaration that they claim they're doing</p> <p>20 everything above board, that's good enough, right?</p> <p>21 MR. COLLINS: Objection. Argumentative.</p> <p>22 BY MR. BOGLE:</p> <p>23 Q Right?</p> <p>24 A I don't know that.</p>
<p style="text-align: right;">Page 247</p> <p>1 MR. COLLINS: Object --</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Is that your testimony?</p> <p>4 MR. COLLINS: Objection. The question</p> <p>5 is compound. It's about three or four questions.</p> <p>6 It's been asked and answered.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q Is that your testimony?</p> <p>9 MR. COLLINS: It's been asked and</p> <p>10 answered. It's a mischaracterization of his</p> <p>11 testimony.</p> <p>12 THE WITNESS: No, my testimony is that I</p> <p>13 did the due diligence and sent it up to Michael</p> <p>14 Oriente, the director of Regulatory Affairs.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q You're saying you did your due diligence</p> <p>17 because there was a questionnaire and declaration</p> <p>18 on file, right?</p> <p>19 A Yes. You can see quite a bit of</p> <p>20 information on the store for Best Care, and sales</p> <p>21 data and vetting out the store. And I -- I'm</p> <p>22 sorry, it was 10/26, so it was done on 10/1.</p> <p>23 Q Right. Which we already discussed</p> <p>24 that -- and you've already increased it --</p>	<p style="text-align: right;">Page 249</p> <p>1 Q Okay. Okay. Let's take a look at Bates</p> <p>2 page ending 4234.</p> <p>3 See it's another threshold change form</p> <p>4 for Best Care, 11/24/09, right?</p> <p>5 A Yes.</p> <p>6 Q This time the request is to increase the</p> <p>7 oxycodone threshold from 8,000 to 12,000, right?</p> <p>8 A Yes.</p> <p>9 Q Permanently, right?</p> <p>10 A Yes.</p> <p>11 Q And the reason for change provided here</p> <p>12 is: "Store business warrants increase to 12,000,"</p> <p>13 right?</p> <p>14 A Yes.</p> <p>15 Q And that would have been provided by</p> <p>16 you, that information, right?</p> <p>17 MR. COLLINS: Objection. Form.</p> <p>18 THE WITNESS: I don't know that.</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Your name appears under "Approved by,"</p> <p>21 right?</p> <p>22 A Yes.</p> <p>23 MR. COLLINS: Objection. Asked and</p> <p>24 answered, mischaracterization.</p>

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1 BY MR. BOGLE:  
2 Q That's what it says, right?  
3 A Yes.  
4 Q Okay. And is there any other reason  
5 listed for the change other than "Store business  
6 warrants increase to 12,000" --  
7 A No.  
8 Q -- provided on this form?  
9 MR. COLLINS: Objection. Objection.  
10 Mischaracterization.  
11 BY MR. BOGLE:  
12 Q If we go to Bates page ending 4239.  
13 So this has indicated a Level I review  
14 for hydrocodone from June 2010. Do you see that?  
15 A Yes.  
16 Q And it's noted that they've omitted for  
17 hydrocodone, right?  
18 It says "EOM omit" under "Supporting  
19 Information" -- or next to "Supporting  
20 Information."  
21 A Yes. I'm sorry, I'm not familiar with  
22 these. These are only documents the DRA has  
23 knowledge of.  
24 Q What is an omit?

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1 A It means something wasn't filled.  
2 Q Okay. And one way in which somebody can  
3 omit is because they've reached their threshold,  
4 right?  
5 A Yes.  
6 Q Okay. If you go to the next page here,  
7 do you see where it says "Supporting Information"?  
8 Do you see that, the next page, Bates  
9 page ending 4240?  
10 A Yes.  
11 Q Okay. "Supporting Information" says:  
12 "Due to an increase in local prescriptions for  
13 hydrocodone, Matt has requested we raise his  
14 threshold on this item."  
15 Do you see that?  
16 A Yes.  
17 Q And the reason for TCR, two below that,  
18 says: "Business growth should be supported by  
19 corresponding sales increase."  
20 Do you see that?  
21 A Yes.  
22 Q Okay. And the specific request is to  
23 increase the number of hydrocodone doses by 5,000  
24 units, right? 5,000 doses.

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1 A Yes.  
2 Q Okay. And you see the next page, there  
3 are approvals from Dale Nusser and Michael Oriente  
4 on July 8, 2010, right?  
5 A Yes.  
6 Q Okay. And Dale Nusser, I think we  
7 talked about earlier works -- worked beneath you  
8 at this point in time, right?  
9 A Yes.  
10 Q So to approve this based on business  
11 growth, you would agree there should be some  
12 supporting documentation somewhere to support  
13 that, right, that their business has in fact grown  
14 legitimately?  
15 A I don't know that.  
16 Q You don't know whether that should be  
17 there?  
18 A I don't know if Mike got that or not.  
19 Q I'm asking whether it should be there.  
20 I'm not asking whether it is there.  
21 A I don't know.  
22 Q You don't know whether that should be  
23 there or not?  
24 A That would be up to Michael.

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1 Q Okay.  
2 A I don't know if he had to keep that or  
3 he disposed of it. I don't know.  
4 Q You don't in fact know whether they got  
5 it, do you?  
6 MR. COLLINS: Objection. Calls for  
7 speculation.  
8 THE WITNESS: I'll testify that I never  
9 saw this document, and I'm not responsible for the  
10 document, but it's Michael Oriente that had the  
11 document.  
12 BY MR. BOGLE:  
13 Q Okay. Do you see page 4242 in this  
14 document?  
15 It's another threshold change request,  
16 this time from July 23rd, 2010. Do you see that?  
17 The date's on the second page.  
18 A Oh, thank you.  
19 Q Do you see that date on there?  
20 A Yes.  
21 Q Okay. And this is to increase  
22 hydrocodone doses by 5,000 doses at this point in  
23 time, right?  
24 MR. COLLINS: Objection. Lack of

<p style="text-align: right;">Page 254</p> <p>1 foundation.</p> <p>2 THE WITNESS: Yes.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Okay. And the reason cited is again</p> <p>5 business growth, right?</p> <p>6 A It says -- if I could interject, it</p> <p>7 says: "Should be supported by corresponding sales</p> <p>8 increase."</p> <p>9 Q Yeah. That's what it says, right?</p> <p>10 A Yes.</p> <p>11 Q And then "Supporting Information," it</p> <p>12 says: "The account opened last October 2009. The</p> <p>13 new owner is trying to increase his business in</p> <p>14 the area and reestablish the pharmacy. He has</p> <p>15 increased a number of prescriptions and requesting</p> <p>16 another increase for hydrocodone. He was already</p> <p>17 given an increase of 5,000 on the 8th of this</p> <p>18 month."</p> <p>19 Do you see that?</p> <p>20 A Yes.</p> <p>21 Q So, again, whoever is approving this,</p> <p>22 Michael Oriente or otherwise, should be requesting</p> <p>23 documentation to support that increase, right?</p> <p>24 MR. COLLINS: Objection. Form.</p>	<p style="text-align: right;">Page 256</p> <p>1 Q You don't know if he should have?</p> <p>2 MR. COLLINS: Let me object. Lack of</p> <p>3 foundation, lack of firsthand knowledge, calls for</p> <p>4 a legal conclusion.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q You see on the next page, page 4243,</p> <p>7 this was approved by Michael Oriente and Duane</p> <p>8 McPherson. Do you see that?</p> <p>9 A Yes.</p> <p>10 Q Does Duane McPherson work at your</p> <p>11 distribution center?</p> <p>12 A Yes.</p> <p>13 Q Okay. Works beneath you?</p> <p>14 A Yes.</p> <p>15 Q We'll look at another one from the same</p> <p>16 month for oxycodone, July 2010, which is page</p> <p>17 4244.</p> <p>18 Do you see they've omitted here for</p> <p>19 oxycodone, July 2010? Do you see that?</p> <p>20 MR. COLLINS: Objection. Lack of</p> <p>21 foundation. The witness hasn't testified he has</p> <p>22 firsthand knowledge of this.</p> <p>23 THE WITNESS: Yeah, I don't know what</p> <p>24 this is. If it doesn't respond to another</p>
<p style="text-align: right;">Page 255</p> <p>1 THE WITNESS: I don't know. He may have</p> <p>2 it.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Should he? Should he, right? He</p> <p>5 should.</p> <p>6 MR. COLLINS: Objection. Calls for a</p> <p>7 legal conclusion.</p> <p>8 THE WITNESS: He may have it. I don't</p> <p>9 know.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q Right. My question is, should he?</p> <p>12 MR. COLLINS: Same objection. Calls for</p> <p>13 a legal conclusion.</p> <p>14 THE WITNESS: I don't know that he</p> <p>15 doesn't have that.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q That, sir, was not my question. I'm</p> <p>18 asking should he have requested it. I'm not</p> <p>19 asking whether he did or whether he's got it or</p> <p>20 what happened to it. I'm just asking if he</p> <p>21 should.</p> <p>22 A I don't know that.</p> <p>23 MR. COLLINS: I'm sorry --</p> <p>24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 257</p> <p>1 threshold change request earlier, is this the same</p> <p>2 one we went over?</p> <p>3 BY MR. BOGLE:</p> <p>4 Q We're about to walk through that. Just</p> <p>5 bear with me.</p> <p>6 A Okay.</p> <p>7 Q What it says here is an oxycodone omit,</p> <p>8 July 2010, right?</p> <p>9 MR. COLLINS: Objection. Lack of</p> <p>10 foundation. Lack of firsthand knowledge.</p> <p>11 THE WITNESS: This document is new to</p> <p>12 me, but that's what it says.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q And it notes a Level I review, right?</p> <p>15 MR. COLLINS: Objection. Lack of</p> <p>16 foundation.</p> <p>17 THE WITNESS: Yes, it says "Document</p> <p>18 type."</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Yep, Level I review. And Level I</p> <p>21 reviews at this point in time in 2010 were to be</p> <p>22 done by you or your designee at the distribution</p> <p>23 center, right?</p> <p>24 A Or director of regular -- Regulatory</p>

<p style="text-align: right;">Page 258</p> <p>1 Affairs, either of -- either of them.</p> <p>2 Q Okay. But there's a -- the CSMP spells</p> <p>3 out involvement for the distribution center in</p> <p>4 that process, right?</p> <p>5 A I can't remember 2010. I apologize. I</p> <p>6 just don't know.</p> <p>7 Q You don't know. Okay.</p> <p>8 Do you see here then, if you go to the</p> <p>9 next page, this is again related to Best Care,</p> <p>10 where they're requesting an additional threshold</p> <p>11 increase for hydrocodone, right, 2,000 doses?</p> <p>12 MR. COLLINS: Objection. Lack of</p> <p>13 foundation, lack of firsthand knowledge.</p> <p>14 BY MR. BOGLE:</p> <p>15 Q It's what the document indicates, right?</p> <p>16 MR. COLLINS: Same objections.</p> <p>17 THE WITNESS: I don't know if this is</p> <p>18 Michael's document, but I see it.</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Okay.</p> <p>21 A It says, "Amount, 2,000."</p> <p>22 Q And the reason for the request is noted</p> <p>23 to be business growth, should be supported by</p> <p>24 corresponding sales increase, right?</p>	<p style="text-align: right;">Page 260</p> <p>1 questionnaire?</p> <p>2 Q I'm referencing what they're talking</p> <p>3 about, a review and site visit.</p> <p>4 MR. COLLINS: Objection. Lack of</p> <p>5 foundation.</p> <p>6 THE WITNESS: By "site visit," can you</p> <p>7 be more specific?</p> <p>8 BY MR. BOGLE:</p> <p>9 Q I'm talking about what's in this</p> <p>10 document. If you don't know, that's fine. We'll</p> <p>11 keep going.</p> <p>12 But if you see here, this -- this</p> <p>13 threshold increase request from August 2010,</p> <p>14 approved by Diane Martin and Michael Oriente,</p> <p>15 right?</p> <p>16 MR. COLLINS: Objection. Lack of</p> <p>17 foundation.</p> <p>18 BY MR. BOGLE:</p> <p>19 Q Do you see that on the next page?</p> <p>20 A That's what it says here.</p> <p>21 Q All right. Diane Martin, is that</p> <p>22 someone that worked for you as well?</p> <p>23 A Yes.</p> <p>24 Q Okay. What was your oversight of the</p>
<p style="text-align: right;">Page 259</p> <p>1 MR. COLLINS: Same objections. Lack of</p> <p>2 foundation, lack of firsthand knowledge.</p> <p>3 THE WITNESS: Yes.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q Okay. And then "Supporting Information"</p> <p>6 says: "This account's purchases are up overall.</p> <p>7 A review and site visit was done by Dale Nusser</p> <p>8 and Jim Gavatorta in the fall of 2009."</p> <p>9 Right?</p> <p>10 MR. COLLINS: Objection. Foundation.</p> <p>11 THE WITNESS: Yes.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Okay. And that's the same one you</p> <p>14 referred to having occurred a year earlier, right?</p> <p>15 That we looked at earlier, sorry.</p> <p>16 MR. COLLINS: Objection. Form.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q Do you recall when we started looking</p> <p>19 through this document?</p> <p>20 A Yes.</p> <p>21 Q The first documentation, the first</p> <p>22 questionnaire related to a site visit was from the</p> <p>23 fall of 2009?</p> <p>24 A Are you referencing the Level I</p>	<p style="text-align: right;">Page 261</p> <p>1 people that worked for you when they're -- they're</p> <p>2 signing off and approving these sort of requests?</p> <p>3 When you say you're not involved, what was your</p> <p>4 oversight of people like Mr. McPherson and</p> <p>5 Mrs. Martin when they're approving these?</p> <p>6 MR. COLLINS: Objection. Lack of</p> <p>7 foundation, form, vague, confusing.</p> <p>8 THE WITNESS: I didn't testify that I</p> <p>9 wasn't involved. I testified that they worked for</p> <p>10 me.</p> <p>11 BY MR. BOGLE:</p> <p>12 Q Mm-hmm. Yeah, I'm asking what your</p> <p>13 level of oversight was in this process.</p> <p>14 MR. COLLINS: Objection. Form, vague,</p> <p>15 assumes facts not in evidence.</p> <p>16 THE WITNESS: To make sure that they did</p> <p>17 the proper procedure and SOPs for New Castle.</p> <p>18 BY MR. BOGLE:</p> <p>19 Q Okay. Okay. Let's go to page -- Bates</p> <p>20 page ending 4249 in this document.</p> <p>21 You see here is another threshold change</p> <p>22 request for oxycodone requesting a temporary</p> <p>23 increase by 50. Do you see that?</p> <p>24 A Yes.</p>



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1 Q Okay. And a reference is made back to,  
2 again, the site visit from more than a year prior,  
3 right, October 1, 2009?  
4 MR. COLLINS: Objection. Lack of  
5 foundation, lack of firsthand knowledge.  
6 THE WITNESS: Can you repeat that  
7 question for me, please?  
8 BY MR. BOGLE:  
9 Q Yeah. They refer back to a site visit  
10 from October 2009 for this request in December  
11 2010, right?  
12 MR. COLLINS: Objection. Lack of  
13 foundation, lack of firsthand knowledge.  
14 THE WITNESS: It says "Temporary." I  
15 don't know if it was increased or not by this  
16 document.  
17 BY MR. BOGLE:  
18 Q We'll get there. The reason for TCR  
19 noted on this page is increase in scripts, right?  
20 A That's what it says, yes.  
21 Q Okay. And the next page notes that it  
22 was approved by Joel Zwick and Michael Oriente,  
23 December 16, 2010.  
24 Do you see that?

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1 MR. COLLINS: Objection. Lack of  
2 foundation.  
3 THE WITNESS: Yes. Yes, DRA.  
4 BY MR. BOGLE:  
5 Q Joel Zwick is somebody that also worked  
6 for you at this point in time?  
7 A Yes. Yes.  
8 Q Okay. The last one I want to look at  
9 for Best Care is on page 40 -- Bates page 4253.  
10 And you see here this is a threshold  
11 change request related to oxycodone and  
12 hydrocodone from January 2011.  
13 Do you see that?  
14 A Yes, I do.  
15 Q Okay. They're requesting 8,000  
16 additional doses for oxycodone and 5,000  
17 additional doses for hydrocodone, right?  
18 MR. COLLINS: Objection. Foundation.  
19 THE WITNESS: Yes, but it says threshold  
20 wasn't reached.  
21 BY MR. BOGLE:  
22 Q Yeah, I'm just asking what request  
23 they're making here.  
24 A Yes, but I don't know how much it is.

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1 I'm sorry.  
2 Q Right, but they're asking to increase  
3 the amount of doses for oxycodone by 8,000 and  
4 hydrocodone by 5,000, right?  
5 MR. COLLINS: Objection. Foundation.  
6 BY MR. BOGLE:  
7 Q That's what the document says, right?  
8 MR. COLLINS: Same objection. Same  
9 foundation objection.  
10 THE WITNESS: That's what the DRA's  
11 document says.  
12 BY MR. BOGLE:  
13 Q And "Supporting Information," it says:  
14 "Best Care has a new pain clinic, Edita Milan,  
15 that it services." Do you see that?  
16 A Yes.  
17 Q Okay. And you agree when there's a  
18 reference to a pain clinic, that's something that  
19 somebody needs to investigate, right?  
20 MR. COLLINS: Objection.  
21 BY MR. BOGLE:  
22 Q As a potential red flag.  
23 MR. COLLINS: Objection. Form, calls  
24 for a legal conclusion.

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1 THE WITNESS: I don't know about Eda --  
2 Edita Milan, but that is something that Michael  
3 would have vetted out.  
4 BY MR. BOGLE:  
5 Q Okay. Something that should be  
6 investigated, right?  
7 A That I think was.  
8 Q Okay. Do you have any proof here that  
9 that was investigated?  
10 A Not with this document. I'm not  
11 familiar with this.  
12 Q Okay. So you have no reason to  
13 specifically say that Mr. Oriente vetted this  
14 because you don't have any documentary support of  
15 that, do you?  
16 MR. COLLINS: Objection.  
17 Mischaracterization, argumentative.  
18 THE WITNESS: I can't speak to what  
19 Michael did.  
20 BY MR. BOGLE:  
21 Q Right. And the reason for the TCR is:  
22 "Business growth should be supported by  
23 corresponding sales increase." Right?  
24 MR. COLLINS: Objection. Foundation.

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1 THE WITNESS: That's what it says there.  
 2 BY MR. BOGLE:  
 3 Q And this was one approved January 27,  
 4 2011, by Diane Martin and Michael Oriente. Do you  
 5 see that, the next page?  
 6 A Yes. Michael's director of Regulatory  
 7 Affairs.  
 8 Q Also approved by Diane Martin, as  
 9 indicated on that form, right?  
 10 A She evidently put it in.  
 11 Q Right. Do you recall another location  
 12 of Best Care being in Lumberport, West Virginia?  
 13 MR. COLLINS: Are you -- I'm sorry.  
 14 We've been going 70 minutes. Is this a good time  
 15 to break?  
 16 MR. BOGLE: That's fine. I'm moving to  
 17 a different pharmacy. That's fine.  
 18 THE VIDEOGRAPHER: The time is 12:47  
 19 p.m. We're going off the record.  
 20 (Lunch recess.)  
 21 THE VIDEOGRAPHER: The time is  
 22 1:35 p.m., and we're back on the record.  
 23 BY MR. BOGLE:  
 24 Q All right, Mr. Snider, we're back from

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1 lunch. I wanted to pick up from where we were  
 2 talking about before we broke.  
 3 So we were talking about Best Care  
 4 Pharmacy. You recall that generally?  
 5 A Yes.  
 6 Q Okay. And I want to talk to you about  
 7 their pharmacy in Lumberport, West Virginia. Are  
 8 you familiar with that pharmacy?  
 9 A A little bit, yeah.  
 10 Q Okay. And that's a pharmacy that New  
 11 Castle has serviced historically, right?  
 12 A Yes. It -- I believe it -- the  
 13 documents show 2009, was it, it went onboard.  
 14 Q Okay. Yeah. So I want to take a look  
 15 at some documents related to that location.  
 16 (Snider Exhibit No. 18 was marked  
 17 for identification.)  
 18 BY MR. BOGLE:  
 19 Q I'm going to hand you Exhibit 1.1821,  
 20 also marked as Exhibit 18 to your deposition.  
 21 All right. This is another one of these  
 22 files, and you see the name on the outside is  
 23 "Lumberport."  
 24 Do you see that?

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1 A Yes.  
 2 Q Okay. And I want to walk through, first  
 3 of all, the pharmacy questionnaire when they were  
 4 onboarded.  
 5 So if you go to page .2, you see there's  
 6 a signature there on that page from you. Do you  
 7 see that?  
 8 A Yes.  
 9 Q Okay. Related to Lumberport Pharmacy.  
 10 And would this be you signing off on the pharmacy  
 11 questionnaire that follows?  
 12 A Yes. And the affidavit was signed by  
 13 the pharmacist, I believe.  
 14 Q Okay. So let's go to the questionnaire  
 15 that starts on page .3. And you see there,  
 16 they're noted to be a new customer going live  
 17 October 1, 2009. Do you see that?  
 18 A Yes.  
 19 Q Okay. And the pharmacist's name there  
 20 is a Matt Genin. Do you see that at the bottom?  
 21 A Yes.  
 22 Q Okay. You recognize that is the same  
 23 name we just saw going through the Best Care  
 24 Pharmacy at Weston, West Virginia. Do you recall

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1 that name?  
 2 A I don't remember, but it could be.  
 3 Q Okay. Well, I can show you if you want  
 4 to refresh on it. Let me -- give me one second to  
 5 find that document.  
 6 MR. COLLINS: I honestly don't remember  
 7 it, but --  
 8 MR. BOGLE: It's not a huge point, but I  
 9 decided I wanted to make it, so we're --  
 10 MR. COLLINS: Fine. Fair enough. It's  
 11 your depo.  
 12 BY MR. BOGLE:  
 13 Q All right. So it's 1.1812, which I  
 14 believe would be Exhibit 17 as well, the Best Care  
 15 document we looked at right before lunch. I think  
 16 it's the one you've got in your hand right there.  
 17 MR. COLLINS: That's 16.  
 18 MR. BOGLE: Oh, is it 16? Okay. Then  
 19 that's the one I want, 16.  
 20 MR. COLLINS: What page? I'm sorry.  
 21 BY MR. BOGLE:  
 22 Q So if you go to page on this one .11.  
 23 It's again the pharmacy questionnaire.  
 24 Do you see the pharmacist's name there?

<p style="text-align: right;">Page 270</p> <p>1 A Yes.</p> <p>2 Q Do you see it's the same individual</p> <p>3 we're talking about there?</p> <p>4 A Yes. Same license.</p> <p>5 Q Yeah, same license number as well.</p> <p>6 Okay.</p> <p>7 So we're dealing with the same</p> <p>8 pharmacist involved with this Lumberport location</p> <p>9 here. So in looking further, he's also noted on</p> <p>10 .4 as the owner of the pharmacy.</p> <p>11 Do you see that?</p> <p>12 A I believe the owner, it says Bob Reep.</p> <p>13 Q Are you at -- are you back on</p> <p>14 Exhibit 18? Because I'm looking at page .4.</p> <p>15 A Well, I'm not sure who's the owner. Is</p> <p>16 it Bob Reep or Matt Genin?</p> <p>17 Q Well, let's look at .4, and we can take</p> <p>18 a look at that first.</p> <p>19 A Okay.</p> <p>20 Q So on .4, it says "Ownership/business</p> <p>21 history," and it says "Owner's name: Matt Genin,</p> <p>22 dba," which I believe means doing business as,</p> <p>23 "Best Care Pharmacy."</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 272</p> <p>1 investigated, correct?</p> <p>2 A It's something that I think the director</p> <p>3 of Regulatory Affairs should look at.</p> <p>4 Q All right. Now, Lumberport, you</p> <p>5 understand that's another very small city, right?</p> <p>6 MR. COLLINS: Objection.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q In West Virginia.</p> <p>9 MR. COLLINS: Objection to form.</p> <p>10 THE WITNESS: I don't remember.</p> <p>11 BY MR. BOGLE:</p> <p>12 Q Okay. Have you ever been to Lumberport?</p> <p>13 A No, I don't remember being there.</p> <p>14 Q Okay.</p> <p>15 (Snider Exhibit No. 19 was marked</p> <p>16 for identification.)</p> <p>17 BY MR. BOGLE:</p> <p>18 Q I hand you Exhibit 19.</p> <p>19 Actually, let me ask you this: If the</p> <p>20 census data indicated there were fewer than a</p> <p>21 thousand people living in Lumberport, would you</p> <p>22 have reason to dispute that?</p> <p>23 MR. COLLINS: Again, foundation.</p> <p>24 THE WITNESS: I wouldn't know. I'd have</p>
<p style="text-align: right;">Page 271</p> <p>1 A Yes.</p> <p>2 Q Okay. And it's actually got the Weston</p> <p>3 address of the Best Care Pharmacy we just looked</p> <p>4 at, right?</p> <p>5 A Yes.</p> <p>6 Q And continuing further on in this</p> <p>7 questionnaire, page .7, and you see here again</p> <p>8 they're outlining their controlled substances</p> <p>9 purchases as of October 2009, and they note 80</p> <p>10 percent of the controlled substances purchases</p> <p>11 were for hydrocodone.</p> <p>12 Do you see that?</p> <p>13 A Yes.</p> <p>14 Q Okay. And you would agree 80 percent of</p> <p>15 their controlled substances purchases being</p> <p>16 hydrocodone is a potential red flag that needs to</p> <p>17 be reviewed from the perspective of diversion,</p> <p>18 right?</p> <p>19 A I would agree that the director of</p> <p>20 Regulatory Affairs would have to look at that.</p> <p>21 Q Okay. It's something that should be</p> <p>22 looked at. I'm not saying -- again, I'm not</p> <p>23 saying necessarily that it's you on the front</p> <p>24 lines looking at that, but that should be</p>	<p style="text-align: right;">Page 273</p> <p>1 no reason to dispute it.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Okay. Let's just take a look real quick</p> <p>4 then. Exhibit 19, also marked as 1.1908, is what</p> <p>5 I'm handing you.</p> <p>6 All right. It's another printout with</p> <p>7 population and other data. You see it's for</p> <p>8 Lumberport, West Virginia?</p> <p>9 A Yes, I see.</p> <p>10 Q And this is the most current data that I</p> <p>11 was able to obtain. The population noted here for</p> <p>12 Lumberport is 881 people. Do you see that?</p> <p>13 A Yes.</p> <p>14 Q Okay. Do you have any specific</p> <p>15 knowledge that would contradict that being the</p> <p>16 most current population data for Lumberport?</p> <p>17 MR. COLLINS: Objection. Foundation.</p> <p>18 THE WITNESS: I don't have any knowledge</p> <p>19 of the surrounding area of Lumberport.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. All right. So let's go back to</p> <p>22 Exhibit 1.1821, and I want to specifically look at</p> <p>23 .19 is the page.</p> <p>24 A Can you give me that exhibit again?</p>

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1 Q It's 1.1821, the page is .19. The page  
2 should look like this (indicating).  
3 MR. COLLINS: He's referring to the  
4 numbers at the top.  
5 THE WITNESS: Oh, 1821.19, okay.  
6 BY MR. BOGLE:  
7 Q Yeah.  
8 A Thank you.  
9 Q Are you at that page?  
10 A Yes.  
11 Q Okay. And you see here this is for  
12 threshold change form, October 19, 2009, for a  
13 permanent threshold change. Do you see that?  
14 MR. COLLINS: Objection. Form.  
15 THE WITNESS: I don't know if it's to  
16 start them. It looks like the day we opened them.  
17 BY MR. BOGLE:  
18 Q Yeah, I'm just saying the date is  
19 October 19, 2009, right?  
20 A Yes.  
21 Q Okay. And it's a threshold change form  
22 requesting a permanent threshold change, right?  
23 A Yes, but I think it's the start of their  
24 ownership. I'm not sure because I'm -- we had a

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1 Level I questionnaire on that date.  
2 Q Okay. But all I'm --  
3 A So I'm --  
4 Q Okay. All I'm asking, though, is it's  
5 indicated to be a permanent change being  
6 requested, right?  
7 A Yes.  
8 Q Okay. And this is related to 9193,  
9 which I believe is hydrocodone. Do you see that?  
10 A Yes.  
11 Q And the current threshold is noted to be  
12 8,000 at this point in time, right?  
13 A Yes.  
14 MR. COLLINS: Objection.  
15 Mischaracterization.  
16 BY MR. BOGLE:  
17 Q And there is a request to increase that,  
18 to double that, to 16,000 doses per month, right?  
19 MR. COLLINS: Objection. Foundation.  
20 THE WITNESS: Well, I'd have to -- oh,  
21 plus -- plus 8,000.  
22 BY MR. BOGLE:  
23 Q Right.  
24 A Yes.

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1 Q They're asking to add 8,000 to the  
2 existing threshold, right?  
3 A Yes.  
4 Q Okay. So -- and it says for -- the  
5 reason for the requested change -- actually,  
6 strike that.  
7 When it's noted to increase a threshold,  
8 and we talk about by a certain number of doses, a  
9 dose when it comes to hydrocodone or oxycodone is  
10 a pill, right?  
11 A Usually a pill or an ounce.  
12 Q All right. When it comes in pill form,  
13 it's going to be a single pill, right?  
14 A Usually, yes.  
15 Q Okay.  
16 A That I know of.  
17 Q Okay. And the reason noted for the  
18 requested change here is: "Brand new account.  
19 Family threshold is set too low." Do you see  
20 that?  
21 A Yes.  
22 Q Okay. And this was submitted by you on  
23 October 20th, 2009, right?  
24 A Yes.

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1 Q And in addition, from sales, Jim  
2 Gavartorta; approved by Michael Oriente, right?  
3 A Yes.  
4 Q Okay. And to establish that the  
5 threshold is too low for the specific product, you  
6 would need to be able to look at the prescription  
7 data for hydrocodone and the overall prescription  
8 data to indicate whether this is too low.  
9 You agree with that, right?  
10 MR. COLLINS: Objection. Form.  
11 THE WITNESS: I would not have to look  
12 at that. I'd look at the --  
13 What year was this, please?  
14 BY MR. BOGLE:  
15 Q October 2009.  
16 A I believe I would get the sales and the  
17 director of Regulatory Affairs or the -- or Jim  
18 would have gotten the script information.  
19 Q Right. But my question simply was,  
20 to -- whoever is making this determination at  
21 Regulatory would need to look at how much they're  
22 selling of hydrocodone and how that compares to  
23 their overall prescription sales at that time,  
24 right?

<p style="text-align: right;">Page 278</p> <p>1 A Yes. It says "80 percent, 2 Medicare/Medicaid." They would verify that too. 3 Q Okay. So looking at this file, 4 though -- again, it's a fairly small file -- I did 5 not see any indication of such data being attached 6 to this form or in this file. Am I missing 7 something here? 8 A On the questionnaire of the same day, it 9 says: "Call doctors to verify." So I don't know 10 what all due diligence was done on that. There's 11 no record of a call. 12 Q Right. And there's also no new actual 13 documentation of their prescription sales either 14 for hydrocodone or overall sales in this packet, 15 is there? 16 A I don't see it. 17 Q Okay. And I want to look at the next 18 threshold change request, which is page .13. Do 19 you see here this is a threshold change request 20 that was approved July 19, 2010, by Duane 21 McPherson and Michael Oriente? 22 Do you see that -- 23 MR. COLLINS: Object -- 24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 280</p> <p>1 A Okay. I didn't see the second page, I'm 2 sorry. It has "DC approver, Duane" on it, and 3 "DRA, Michael Oriente" on it. 4 Q Okay. And then going back to .13 to see 5 what request was made here, this is a request for 6 an increase for hydrocodone by 5,000 doses. 7 Do you see that? 8 A Yes. 9 Q And for "Supporting Information," it 10 says: "Account purchase are up overall for the 11 month due to an increase in local prescriptions." 12 Do you see that as the supporting 13 information? 14 A I see that as under that column, yeah. 15 Q Okay. And the reason for TCR is the 16 same one we've seen several times today, "Business 17 growth should be supported by corresponding sales 18 increase." 19 Do you see that reference? 20 A Yes, but I don't know that isn't on the 21 original TCR or that he didn't have that. I can't 22 answer to that. 23 Q Yeah, just -- I'm just -- right now I'm 24 just saying that's what the document says, and I'm</p>
<p style="text-align: right;">Page 279</p> <p>1 Q -- on page .14? 2 MR. COLLINS: Objection. Foundation. 3 THE WITNESS: I see those names on 4 there. 5 BY MR. BOGLE: 6 Q Okay. And it's noted to be approved as 7 the approval status for both, right? 8 A I'm not familiar with this document. It 9 went to the Pharmacy Regulatory Affairs. 10 Q Okay. 11 A So I wouldn't have seen this before. 12 Q But for Mr. McPherson, it says: "DC 13 approval status, approved," right, next to it? 14 A That's what it says. 15 Q What the document says. 16 A Yes. 17 Q Same for Mr. Oriente, where it says "DRA 18 approval status," next to it, it says "Approved," 19 right? 20 A It says DR -- is this number 13? 21 Q This is .14. 22 A Sorry. 23 Q The -- this document starts .13. I was 24 trying to give you the sense of both pages of it.</p>	<p style="text-align: right;">Page 281</p> <p>1 going to get to my next question. Just bear with 2 me. 3 That's what it says, first of all. 4 That's the reason for TCR that's listed here, 5 right? "Business growth should be supported by 6 corresponding sales increase." 7 A What's your question, please? 8 Q That's what it says, right? 9 A Under "Reason for TCR" -- 10 Q Yes, sir. 11 A -- yes. Yes. 12 Q Okay. And we just talked about -- in 13 the file that was provided here for this pharmacy, 14 there are -- there's no purchase data included 15 here, is there, documentary purchase data? 16 MR. COLLINS: Objection. Form. 17 THE WITNESS: I don't -- I don't see 18 that. I do see an attachment on October 20th from 19 Michael. 20 BY MR. BOGLE: 21 Q Attachment of what? 22 A It doesn't say. A Word document. 23 Q Okay. All right. But to my -- do you 24 recall my question, though? Do you see anything</p>



<p>Page 282</p> <p>1 that indicates an attachment here, there's actual 2 physical documentation attached here showing 3 purchase data? 4 MR. COLLINS: Objection. Form. 5 THE WITNESS: I don't see anything 6 except that Word document attachment that's not 7 attached here. 8 BY MR. BOGLE: 9 Q Okay. And how do you know that's not 10 attached? 11 A I don't see it. 12 Q Okay. Do you see there's a -- on that 13 same day -- I think you're looking at page .20. 14 A Yes. 15 Q Okay. And that references a Lumberport 16 TCF, hydrocodone, 10/19/09, right? 17 A I don't know. 18 Q So the document -- that's what it says, 19 the attachment, right, that you're referring to? 20 A Yes. Yeah. 21 Q Okay. And you see the previous page, 22 10/19/09, I believe is the one we just looked at a 23 minute ago, same date, hydrocodone, increase 24 request?</p>	<p>Page 284</p> <p>1 Q Okay. Do you see that there, though, 2 the request for 2,000 additional doses for 3 hydrocodone? 4 MR. COLLINS: Same objections. 5 THE WITNESS: It's what it looks like, 6 yes. 7 BY MR. BOGLE: 8 Q And on .16, this was approved by Diane 9 Martin at your facility and Michael Oriente, 10 October 26, 2010 -- or August 26, 2010, right? 11 MR. COLLINS: Objection. Foundation. 12 THE WITNESS: That would mean Diane 13 would have sent it in to the director of 14 Regulatory Affairs. 15 BY MR. BOGLE: 16 Q Right. But what's noted in the document 17 is approval dates, August 26, 2010, for both of 18 them, right? 19 A I believe that's when Diane sent it in, 20 yes. 21 Q Okay. And what's noted here, if you go 22 back to page .15 for supporting information, it 23 says: "This accounts purchases are up overall. A 24 review and visit were done by Dale Nusser and Jim</p>
<p>Page 283</p> <p>1 MR. COLLINS: Objection. Form. 2 THE WITNESS: I -- I -- 3 MR. COLLINS: What's the question? 4 THE WITNESS: I see it. 5 BY MR. BOGLE: 6 Q It's the same date and for the same 7 product that you're refer- -- that's being 8 referenced in the attachment there, right? And 9 the same pharmacy. 10 A Yes, it is. 11 Q Okay. And TCF is threshold change, 12 right, form? 13 A Yes. That's usually what we refer to. 14 Q All right. Let's go to next page .15 in 15 this document. 16 And on .15 and .16 is an additional 17 threshold change request for hydrocodone for an 18 additional 2,000 doses. 19 Do you see that? 20 MR. COLLINS: Objection. Foundation. 21 THE WITNESS: Yeah, this is a Pharmacy 22 Regulatory Affairs document. I didn't always see 23 these, and I didn't see this. 24 BY MR. BOGLE:</p>	<p>Page 285</p> <p>1 Gavatora in the fall of 2009." 2 Do you see that? 3 A Yes. 4 Q Okay. So that's a full year prior to 5 this request when this review was done, right? 6 MR. COLLINS: Objection. Misstates the 7 document. 8 THE WITNESS: I would think that's 9 reasonable. 10 BY MR. BOGLE: 11 Q Okay. So the supporting information for 12 this increase in August 2010 is that there had 13 been a review and site visit nearly a year before, 14 right? 15 A I don't know what else was included with 16 Michael's DRA due diligence. 17 Q But that's what's indicated here for 18 supporting information on this form, right? 19 A The form says that, yes. 20 Q Right. And it's for a permanent 21 request, again based on "Business growth should be 22 supported by corresponding sales increase." 23 That's what's indicated on the form, right? 24 MR. COLLINS: Objection. Form.</p>

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1 THE WITNESS: That's what it says on the  
2 form. I don't know that he doesn't have that.  
3 BY MR. BOGLE:  
4 Q Right. You don't know either way,  
5 right?  
6 A No.  
7 Q And for Lumber -- I'm sorry, strike  
8 that.  
9 For Best Care, they also had a pharmacy  
10 in Belington, West Virginia, right? Do you recall  
11 that, servicing that pharmacy too?  
12 A Yes, I do.  
13 Q Okay. And Belington, West Virginia, do  
14 you know anything about the population for that  
15 city?  
16 A No, I don't. I don't. I don't think I  
17 remember being there.  
18 Q Okay. Any reason to dispute they have  
19 about 2,000 people in Belington, West Virginia?  
20 MR. COLLINS: Objection. Foundation.  
21 THE WITNESS: I wouldn't dispute that.  
22 I don't know.  
23 (Snider Exhibit No. 20 was marked  
24 for identification.)

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1 BY MR. BOGLE:  
2 Q Okay. And I want to look at some of the  
3 documentation on the Belington location. I hand  
4 you Exhibit 20, also marked as Exhibit 1.1822.  
5 All right. We see here, we start with  
6 page .5. It's a threshold change form from  
7 August 20, 2009. Do you see that?  
8 A It's a Level I documentation, yes.  
9 Q Right. You say Level I documentation.  
10 I'm looking at the threshold change form. Are we  
11 looking at something different?  
12 A Oh, I'm sorry. Yeah, .5?  
13 Q Yes. Yes, sir.  
14 A I apologize, I was.  
15 Q That's all right.  
16 Okay. You see -- you see August 20,  
17 2009, there on that one, right?  
18 A Yes.  
19 Q Where it says "Belington Prescription in  
20 Belington, West Virginia."  
21 A Yes.  
22 Q Do you see that name?  
23 A Yep.  
24 Q And the current threshold noted here for

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1 them on hydrocodone is 12,000. Do you see that?  
2 A Increase amount 2,000 -- current  
3 threshold, 12, yes.  
4 Q Right. And they're asking for 2,000  
5 more, right?  
6 A Yes.  
7 Q Okay. And the reason for change noted  
8 here is: "Increase in business, stopped buying  
9 from competitor Bellco. All hydrocodone bought  
10 from McKesson."  
11 Do you see that as the reason noted?  
12 A I see that, yes.  
13 Q Okay. When customers tell you that  
14 they've stopped buying from one of your  
15 competitors, that's something you would ask for  
16 them to substantiate, right, to prove that?  
17 A That's something Michael would ask to  
18 substantiate that so he could get the data.  
19 Q And that -- that should be confirmed,  
20 right?  
21 MR. COLLINS: Objection. Form.  
22 THE WITNESS: I can't answer if he did  
23 or didn't.  
24 BY MR. BOGLE:

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1 Q I didn't ask you that. That should be  
2 confirmed, right?  
3 MR. COLLINS: Objection. Calls for a  
4 legal conclusion. Form. Foundation.  
5 THE WITNESS: I can't answer if he did  
6 or didn't.  
7 BY MR. BOGLE:  
8 Q Okay. Listen to my question.  
9 That should be confirmed, right? I  
10 didn't ask you whether he did confirm. I'm  
11 asking, that's something that should be confirmed  
12 when a customer tells you that?  
13 MR. COLLINS: Objection. Calls for a  
14 legal conclusion, form, foundation.  
15 THE WITNESS: I answered. I can't --  
16 I'm not sure if he did or didn't.  
17 BY MR. BOGLE:  
18 Q Right. But should he have, from your  
19 perspective?  
20 A I can't answer for him, sir.  
21 Q Okay. And this is noted as being  
22 approved by both yourself and Michael Oriente on  
23 August 20, 2009, right?  
24 MR. COLLINS: Objection to the term

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1 "approved."  
2 THE WITNESS: I signed the threshold  
3 change request to be put through.  
4 BY MR. BOGLE:  
5 Q Right. This says "Approved by," and  
6 there's your name and there's Michael Oriente's  
7 name, right?  
8 MR. COLLINS: Objection.  
9 Mischaracterization.  
10 THE WITNESS: I signed it to be sent to  
11 the Regulatory Affairs director.  
12 BY MR. BOGLE:  
13 Q And if you go to page .11.  
14 MR. BOGLE: .11 and .12, can we just  
15 pull those up side by side on the screen? Thanks.  
16 BY MR. BOGLE:  
17 Q Do you see this is a threshold change  
18 request for hydrocodone for Belington approved  
19 August 16, 2010? Do you see that?  
20 MR. COLLINS: Objection. Foundation.  
21 THE WITNESS: I didn't -- I don't know  
22 this document. I'm sorry. Can you go through it  
23 again?  
24 BY MR. BOGLE:

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1 Q Yeah. You see on page .12, "DC approval  
2 status: Approved Duane McPherson, August 16,  
3 2010." Right?  
4 MR. COLLINS: Objection. Foundation.  
5 THE WITNESS: Yes.  
6 BY MR. BOGLE:  
7 Q And "DRA approval status: Approved by  
8 Michael Oriente," three minutes later, "August 16,  
9 2010." Right?  
10 MR. COLLINS: Objection. Foundation.  
11 THE WITNESS: I already testified to how  
12 it works. I don't know what due diligence was  
13 done before or after the call.  
14 BY MR. BOGLE:  
15 Q Right. I'm just asking if that's --  
16 that's what is indicated here.  
17 A You said three minutes.  
18 Q Yeah, 10:59 to 11:02.  
19 A Correct.  
20 Q And then -- so going back to .11,  
21 they're requesting here an increase of 4,000 doses  
22 for hydrocodone, a permanent increase, right?  
23 A It looks like this form says it was  
24 increased.

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1 Q Right. That's what they were  
2 requesting, and that's what they got, right?  
3 A Well, I don't see the TCR with this, but  
4 I do see this form.  
5 Q Okay. And "Supporting Information"  
6 says: "Belington was recently sold to Best Care  
7 Pharmacy Group in May 2010. New scripts from this  
8 acquisition has caused a need for an increase in  
9 their hydrocodone threshold."  
10 Do you see that?  
11 A Yes.  
12 Q Okay. And again, business growth is the  
13 reason provided, right?  
14 A No, it was sold.  
15 Q Right. But the reason for TCR, it says:  
16 "Business growth should be supported by  
17 corresponding sales increase." Right?  
18 MR. COLLINS: Objection. Lack of  
19 foundation.  
20 THE WITNESS: Yeah, supporting  
21 correspondence above, yes.  
22 BY MR. BOGLE:  
23 Q Okay. And so, again, if there's an  
24 acquisition which has caused an increased need,

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1 that's again something that would need to be  
2 confirmed with documentation, right?  
3 MR. COLLINS: Objection. Calls for a  
4 legal conclusion.  
5 THE WITNESS: I don't know. It could  
6 have been done with a phone call or a check of the  
7 pharmacy license or a call to the State Board of  
8 Pharmacy.  
9 BY MR. BOGLE:  
10 Q But just the purchase itself doesn't  
11 mean they need more pills, right? You would need  
12 to show a business need documented beyond just the  
13 purchase itself, right?  
14 MR. COLLINS: Objection. Calls for a  
15 legal conclusion, foundation, form.  
16 THE WITNESS: I don't know what Michael  
17 did to show on that.  
18 BY MR. BOGLE:  
19 Q Okay. All right. So let's go to  
20 page .13 and .14.  
21 Do you see here this is another  
22 threshold change request for hydrocodone  
23 requesting a temporary increase of 9,000 doses?  
24 Do you see that?

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1 A Yes.

2 Q This was approved by Joel Zwick and

3 Michael Oriente, November 15, 2010, right?

4 A Joel sent it to Michael.

5 Q The note is approving on November 15 --

6 A Oh, I'm sorry, I correct myself.

7 Dale Nusser sent it to Michael.

8 Q Right. .14 indicates that Joel Zwick

9 and Michael Oriente both noted as approving this

10 on November 15, 2010, right?

11 MR. COLLINS: Objection. Lack of

12 foundation, lack of firsthand knowledge.

13 THE WITNESS: Joel sent it, yes. I

14 believe. I don't know this form. But it shows

15 that Joel sent it, and then above here, it says

16 "Submitter name: Dale Nusser."

17 BY MR. BOGLE:

18 Q And it does show it was approved, right?

19 MR. COLLINS: Objection. Form.

20 THE WITNESS: The way I see it, I don't

21 see a signature, but the -- the -- Michael

22 Oriente's name is on the -- this document.

23 BY MR. BOGLE:

24 Q And it says "Approved," right?

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1 MR. COLLINS: Objection. Form.

2 BY MR. BOGLE:

3 Q On .14.

4 MR. COLLINS: Objection. Form.

5 THE WITNESS: "DRA approval status:

6 Approved."

7 BY MR. BOGLE:

8 Q Yep. And for "Supporting Information"

9 on this one, it says: "The customer was robbed on

10 Sunday. All hydrocodone products were stolen

11 except for two bottles of Vicodin 5/500. Customer

12 to send a copy of police report when received."

13 Do you see that?

14 A Yes.

15 Q Do you see a copy of the police report

16 here in this file?

17 MR. COLLINS: Objection. Foundation.

18 THE WITNESS: I don't know that that's

19 in here. I don't see it in what you gave me.

20 BY MR. BOGLE:

21 Q Okay. This is the document as produced.

22 I'm giving you what was produced to us.

23 Do you see it in this?

24 A I didn't produce it.

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1 Q Huh?

2 A I didn't produce it. I don't know.

3 Q I'm just asking you if you see the

4 police report in this packet related to this

5 pharmacy.

6 MR. COLLINS: Objection. Argumentative.

7 THE WITNESS: I don't see it in here.

8 BY MR. BOGLE:

9 Q Okay. Are you aware that ultimately one

10 of the owners of Best Care was prosecuted for

11 illegally diverting opioids?

12 A I am aware that an owner of Best Care

13 was prosecuted, and we cut them off.

14 Q Well, you're aware that there was a --

15 there was an arrest and a prosecution for one of

16 the owners of Best Care for diversion of opioid

17 products, right?

18 MR. COLLINS: Objection. Foundation.

19 THE WITNESS: I was aware that he was

20 arrested. That's all.

21 (Snider Exhibit No. 21 was marked

22 for identification.)

23 BY MR. BOGLE:

24 Q Okay. Let me hand you 1.1251,

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1 Exhibit 21.

2 This is a news release from the U.S.

3 Department of Justice, June 3rd, 2014, titled

4 "Pharmacist charged with illegal distribution of

5 painkillers."

6 Do you see that?

7 A Yes.

8 Q Have you ever seen this press release

9 related to Best Care?

10 A No, I haven't.

11 Q Okay. How did you become aware of the

12 arrest then?

13 A I don't remember. Probably the DRA.

14 Q Okay. And if you look in the press

15 release, it says: "A West Virginia pharmacist has

16 been indicted on charges that he dispensed

17 prescription painkillers outside the scope of his

18 professional practice."

19 And then it says: "United States

20 Attorney William Ihlenfeld, II, announced that

21 Mario Blount, 51, of Bridgeport, West Virginia,

22 was arrested this morning on charges of conspiracy

23 to possess and distribute Schedule II controlled

24 substances, distribution of oxycodone and a

<p style="text-align: right;">Page 298</p> <p>1 failure to report the filling of a prescription."  2 Do you see that?  3 A Yes.  4 Q And it says: "Blount, who was employed  5 by Best Care Pharmacy, is alleged to have  6 conspired with two other individuals over the last  7 three years to distribute prescription painkillers  8 for non-legitimate medical purposes."  9 Do you see that reference?  10 A Yes.  11 Q Okay. And skip a paragraph, the next  12 one says: "The Greater Harrison County Drug Task  13 Force executed search warrants in October 2013 at  14 Best Care Pharmacy locations in the West Virginia  15 towns of Bridgeport, Lumberport and Belington."  16 Do you see that?  17 A Yes.  18 Q And that's the three facilities we've  19 just been looking at over the last hour or so,  20 right?  21 A Yes.  22 Q And then the last paragraph on this page  23 says: "Mr. Blount abused the trust of the  24 citizens of Bridgeport and the customers of Best</p>	<p style="text-align: right;">Page 300</p> <p>1 Q You don't know if you were supplying  2 them?  3 A No.  4 MR. COLLINS: Objection.  5 BY MR. BOGLE:  6 Q You don't know if Best Care Pharmacy was  7 a customer of yours for 2010 to 2014?  8 MR. COLLINS: Objection. Argumentative.  9 BY MR. BOGLE:  10 Q I'm just asking if you know or not.  11 MR. COLLINS: Objection. You just asked  12 the same -- you've asked the same question two or  13 three times.  14 THE WITNESS: I don't know.  15 BY MR. BOGLE:  16 Q You don't know?  17 Okay. We just saw from all three of  18 those facilities threshold change requests  19 approved for some of these very drugs covering all  20 the way up until 2011, and it's your -- that came  21 from your facility at New Castle, and it's your  22 testimony that after seeing all that, you don't  23 know if you supplied them with any oxycodone or  24 oxymorphone pills?</p>
<p style="text-align: right;">Page 299</p> <p>1 Care Pharmacy. These arrests serve as a warning  2 that the illicit distribution of controlled  3 substances will not be tolerated in Harrison  4 County, said Karl C. Colder, Special Agent in  5 Charge, Drug Enforcement Administration,  6 Washington, D.C. Field Division. Over  7 approximately three years, Mr. Blount illegally  8 dispensed over 11,000 oxycodone and oxymorphone  9 pills."  10 Do you see that?  11 A I see that, yes.  12 Q And you know McKesson was the supplier  13 of those pills, right?  14 MR. COLLINS: Objection. Assumes facts  15 not in evidence, foundation.  16 THE WITNESS: I don't know that.  17 BY MR. BOGLE:  18 Q Well, your New Castle facility was  19 supplying Best Care with those very drugs during  20 that very time period, right?  21 MR. COLLINS: Objection. Argumentative,  22 assumes facts not in evidence.  23 THE WITNESS: I don't know that.  24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 301</p> <p>1 MR. COLLINS: Objection. Assumes facts  2 not in evidence. The question is compound.  3 THE WITNESS: I don't -- I don't know  4 that. He could have other wholesalers. I don't  5 know that.  6 BY MR. BOGLE:  7 Q You don't even know if he had other  8 wholesalers?  9 A I don't remember that, no.  10 Q Okay.  11 A No.  12 Q Isn't that something you would need --  13 that you would want to know?  14 MR. COLLINS: Objection. Calls for a  15 legal conclusion, argumentative.  16 THE WITNESS: I would want the director  17 of Regulatory Affairs to know that.  18 BY MR. BOGLE:  19 Q You would want him to know that. It's  20 okay, as the guy who is responsible for making  21 sure that the New Castle isn't involved in  22 diversion, you don't care if you know that or not?  23 MR. COLLINS: Objection. Argumentative.  24 Object to the theatrics.</p>



<p style="text-align: right;">Page 302</p> <p>1 THE WITNESS: Can you restate the  2 question, if you want?  3 BY MR. BOGLE:  4 Q Well, I don't think there's anything  5 wrong with that question.  6 MR. COLLINS: Objection. It's --  7 THE WITNESS: Can you repeat it then?  8 BY MR. BOGLE:  9 Q Yeah.  10 You don't think that as the individual  11 or director of operations for New Castle  12 responsible for making sure that facility isn't  13 involved in diversion, you don't think it's  14 important for you to know whether you were the  15 only supplier of these pills to this -- these  16 pharmacies or whether somebody else was too?  17 MR. COLLINS: Objection. Argumentative,  18 compound, object to the theatrics, asked and  19 answered.  20 THE WITNESS: I don't know.  21 BY MR. BOGLE:  22 Q You don't know whether that's something  23 you should know?  24 A I've already answered that. You keep</p>	<p style="text-align: right;">Page 304</p> <p>1 BY MR. BOGLE:  2 Q You don't remember?  3 A No.  4 Q Okay.  5 A That would be the director of Regulatory  6 Affairs.  7 Q Well, the pills come out of your  8 facility, right?  9 MR. COLLINS: Objection.  10 THE WITNESS: I don't know that. I  11 answered to that.  12 BY MR. BOGLE:  13 Q Does -- does Regulatory Affairs run your  14 facility?  15 MR. COLLINS: Objection. Form. The  16 question is vague.  17 BY MR. BOGLE:  18 Q I mean, do you defer all responsibility  19 for the pills that go out of New Castle to  20 Regulatory Affairs?  21 MR. COLLINS: Objection. Argumentative.  22 THE WITNESS: No.  23 BY MR. BOGLE:  24 Q Okay. Because that's -- it's your job,</p>
<p style="text-align: right;">Page 303</p> <p>1 asking me. I don't know. He could have had  2 another wholesaler. I don't know that. I don't  3 remember.  4 Q But you know you were one -- that your  5 facility at New Castle certainly was one of the  6 wholesalers, right?  7 MR. COLLINS: Objection.  8 BY MR. BOGLE:  9 Q We've seen documentary support for that.  10 MR. COLLINS: Objection. The  11 question --  12 BY MR. BOGLE:  13 Q Right?  14 MR. COLLINS: Well, the question is now  15 compound three times.  16 THE WITNESS: I -- I answered that, yes.  17 BY MR. BOGLE:  18 Q Yes, you were. Okay.  19 And you said this pharmacy was cut off.  20 They were cut off for about two weeks, right, Best  21 Care?  22 MR. COLLINS: Objection. Assumes facts  23 not in evidence, foundation.  24 THE WITNESS: I don't remember.</p>	<p style="text-align: right;">Page 305</p> <p>1 right?  2 MR. COLLINS: Objection.  3 THE WITNESS: What's my job, please?  4 I'm not sure --  5 BY MR. BOGLE:  6 Q To know what's leaving your facility and  7 to whom it's going to and whether they can be  8 trusted.  9 A I didn't --  10 MR. COLLINS: Objection. The question  11 is compound, it's vague, calls for a legal  12 conclusion, lacks foundation.  13 BY MR. BOGLE:  14 Q I think it's a good question, so go  15 ahead.  16 MR. COLLINS: My objections stand.  17 THE WITNESS: I stand by my record and  18 what I do at the facility.  19 BY MR. BOGLE:  20 Q That's -- that's not my question, sir.  21 A That's the best I can answer.  22 Q My question is, is it your testimony  23 that your responsibilities as director of  24 operations at New Castle does not include knowing</p>

<p style="text-align: right;">Page 306</p> <p>1 who you're selling to and what purpose they're          2 using those pills for?          3 MR. COLLINS: Objection. Argumentative,          4 compound, vague, calls for a legal conclusion.          5 THE WITNESS: Can you repeat the          6 question?          7 BY MR. BOGLE:          8 Q Right. Is it your testimony here today          9 that it's not your responsibility as director of          10 operations for New Castle to know who you're          11 selling to and what they're using the products for          12 that you're selling them?          13 MR. COLLINS: Objection. Calls for a          14 legal conclusion. It's compound and it's also          15 vague.          16 THE WITNESS: The best I can answer that          17 is I know my customers, and when I don't, I make          18 sure the DRA and the VP/GM know.          19 BY MR. BOGLE:          20 Q Okay. So you knew -- you knew the folks          21 at Best Care then, right?          22 MR. COLLINS: Objection. Assumes facts          23 not in evidence.          24 THE WITNESS: Not personally, no.</p>	<p style="text-align: right;">Page 308</p> <p>1 BY MR. BOGLE:          2 Q Did you trust them to let those pills          3 out of your facility that ultimately they were --          4 one of their owners was arrested for diverting?          5 MR. COLLINS: Objection. The question          6 is vague, "them."          7 THE WITNESS: I wouldn't trust an owner          8 that was arrested for diversion, no.          9 BY MR. BOGLE:          10 Q But you did trust that owner.          11 MR. COLLINS: Objection. Argumentative.          12 BY MR. BOGLE:          13 Q Right?          14 MR. COLLINS: Objection. Argumentative.          15 THE WITNESS: I protest to the word          16 "trust." I didn't know him.          17 BY MR. BOGLE:          18 Q Okay. Do you know anybody that did at          19 McKesson?          20 A Yeah, Jim --          21 Q That did know that customer?          22 A Yeah, Jim Gavatora did, and so did          23 Brian.          24 Q Brian Ferreira?</p>
<p style="text-align: right;">Page 307</p> <p>1 BY MR. BOGLE:          2 Q You say it's your responsibility to know          3 the customer or the DRA knows them, so either you          4 knew them or the DRA knew them. Who knew them?          5 MR. COLLINS: Objection. Argumentative,          6 compound.          7 THE WITNESS: I can't answer that for          8 the DRA or the VP/GM.          9 BY MR. BOGLE:          10 Q What about you, did you know them?          11 A I didn't --          12 MR. COLLINS: Objection. Question is          13 compound.          14 THE WITNESS: -- know them personally.          15 BY MR. BOGLE:          16 Q Did you find them trustworthy to give          17 them all those pills?          18 MR. COLLINS: Objection.          19 THE WITNESS: I didn't know --          20 MR. COLLINS: I'm sorry. Please let me          21 finish my objection.          22 THE WITNESS: Sorry.          23 MR. COLLINS: These questions are vague,          24 compound, argumentative.</p>	<p style="text-align: right;">Page 309</p> <p>1 A Yeah.          2 Q Okay. So they would be the ones to say          3 whether they were trustworthy prior to this arrest          4 being made, right?          5 A I can't answer to that. I just know          6 they knew them.          7 Q Okay. I'm going to hand you what I'm          8 marking as Exhibit 1.1794, also marked as          9 Exhibit 22.          10 (Snider Exhibit No. 22 was marked          11 for identification.)          12 BY MR. BOGLE:          13 Q All right. And you see this is a          14 monthly report from a Tim Foster to an Andrew          15 Moore, June 2014 monthly report.          16 Do you see that?          17 MR. COLLINS: Objection. Found- --          18 BY MR. BOGLE:          19 Q First page.          20 MR. COLLINS: Objection. Foundation.          21 THE WITNESS: It looks like it. I'm not          22 familiar with this document.          23 BY MR. BOGLE:          24 Q Okay. Well, let me ask you, on page 2,</p>

<p style="text-align: right;">Page 310</p> <p>1 I think it references something on Best Care. I  2 want to know if you knew this independent of this  3 document.  4 It says on point 2, it's the -- one,  5 two, three, four, five, six -- sixth bullet point  6 that starts with "Mario Blount." Do you see that  7 paragraph?  8 A Yes.  9 Q Okay. It says: "Mario Blount, partial  10 owner of the Best Care Group, was arrested in  11 early June on numerous narcotics charges, several  12 in relation to drug overdose deaths. As a result,  13 we shut off all narcotics at both Best Care  14 locations, Bridgeport and Lumberport, on Friday,  15 6/6. After a review of their dispensing and  16 surveys, we were unable to turn narcotics back on  17 because Blount was still listed as a 10 percent  18 owner. As of 6/20, Blount was bought out of the  19 group, and we were able to review them again. On  20 6/24, Drew Schwichow did site visits and will make  21 a determination from there, and from that, they  22 were turned on 6/26."  23 Do you see that?  24 A I do.</p>	<p style="text-align: right;">Page 312</p> <p>1 "Rich Mace, owner of Mace's Pharmacies, purchased  2 the Best Care Belington location and closed on  3 this sale on May 16th."  4 Do you see that?  5 A Yes.  6 Q Okay. And Mace's Pharmacy, that's  7 another one we discussed earlier and reviewed some  8 TCRs for, right? Remember talking about that  9 earlier today with me?  10 A Yes, I do. Yes.  11 Q Okay. Same guy, right, Mace's?  12 MR. COLLINS: Objection. Foundation.  13 BY MR. BOGLE:  14 Q Mace's Pharmacy, do you remember talking  15 about that?  16 MR. COLLINS: What's the question?  17 THE WITNESS: I answered that "yes."  18 BY MR. BOGLE:  19 Q Okay. Are you familiar with Martella's  20 Pharmacy in Pennsylvania?  21 A Yes.  22 Q And that's a pharmacy that the New  23 Castle Distribution Center has serviced over the  24 years, right?</p>
<p style="text-align: right;">Page 311</p> <p>1 Q Twenty days that you guys weren't  2 providing them narcotics, right?  3 MR. COLLINS: Objection. Assumes facts  4 not in evidence, lack of foundation.  5 BY MR. BOGLE:  6 Q 6/6 to 6/26, that's 20 days that you  7 guys stopped providing them narcotics, including  8 opioids, right?  9 MR. COLLINS: Objection --  10 BY MR. BOGLE:  11 Q Based on this document.  12 MR. COLLINS: Objection. Compound,  13 argumentative, assumes facts not in evidence,  14 lacks foundation.  15 THE WITNESS: I can't say to what Tim  16 put in this document.  17 BY MR. BOGLE:  18 Q Okay.  19 A I don't know that.  20 Q Do you recall ceasing sales to any of  21 these Best Care locations for more than 20 days?  22 A I don't recall how many days we ceased  23 sales of any controls.  24 Q Okay. And the next bullet point says:</p>	<p style="text-align: right;">Page 313</p> <p>1 A Yes.  2 Q Okay. And when they were brought on as  3 a new customer in late 2010, they immediately  4 began requesting threshold increases for opioids,  5 right?  6 A I don't recall that.  7 Q You don't know. Okay.  8 Do you recall them in 2010 threatening  9 to go to another distributor if those increases  10 weren't approved?  11 A No.  12 (Snider Exhibit No. 23 was marked  13 for identification.)  14 BY MR. BOGLE:  15 Q There's Exhibit 2- --  16 Do you need to --  17 A No.  18 Q Exhibit 23, also marked as 1.1900.  19 MR. COLLINS: This is 23?  20 MR. BOGLE: Yeah.  21 BY MR. BOGLE:  22 Q Okay. It's a string of e-mails here,  23 but I want to start with the threshold change  24 request e-mail, which is the last one in the</p>

<p style="text-align: right;">Page 314</p> <p>1 document on page .2.          2 Do you see it's from SharePoint,          3 October 19, 2010?          4 A Yes.          5 Q To Dale Nusser, cc'ing other          6 individuals, including you?          7 A Yes.          8 Q Okay. And this relates to threshold          9 increases that were approved for multiple drugs,          10 including increasing the oxycodone threshold to          11 12,000 doses on this date, right?          12 A That's what it says, yes.          13 Q Okay. And it says in the paragraph          14 above the three drugs that are noted to be          15 increased: "New customer load. Customer was          16 loaded to the lower thresholds than expected."          17 Do you see that?          18 A Yes.          19 Q Okay. And so if you go up to the          20 e-mails that follow, going up from there, there's          21 an e-mail from Dale Nusser to John Kuczynski,          22 October 19, 2010 thereafter.          23 Do you see that e-mail?          24 A Yes.</p>	<p style="text-align: right;">Page 316</p> <p>1 a close eye on them. If they do happen to show up          2 on the 80 percent report, I will do the TCR          3 immediately, if you don't mind."          4 And then John responds: "Waiting for an          5 item to show up at 80 percent isn't going to work.          6 They omitted on an item yesterday before the 80          7 percent report came out. We need to adjust their          8 numbers across the board. Please work with          9 Michael to get this issue resolved. We can't be          10 in a reactionary mode right now with them."          11 Do you see that?          12 A Yes.          13 Q Okay. This 80 percent report, that          14 references customers at this point in time in          15 2010, once they had reached a certain percentage,          16 in this instance 80 percent, there would be a          17 report sent to the folks at McKesson, which would          18 then trigger them to reach out to the customer and          19 see if they wanted to increase their thresholds,          20 right?          21 MR. COLLINS: Objection. Form, lack of          22 foundation, assumes facts not in evidence.          23 THE WITNESS: No, they wouldn't -- we          24 wouldn't call that. They would call us when it</p>
<p style="text-align: right;">Page 315</p> <p>1 Q Okay. There Dale says: "John,          2 Martella's is ready to go for ordering. Michael          3 approved the TCR with no questions."          4 Do you see that?          5 A Sorry.          6 Q The e-mail starts on point -- the first          7 page and carries over to the second.          8 MR. COLLINS: If you need a moment to          9 review it, why don't you review it.          10 THE WITNESS: I'm sorry. Where is that,          11 please? What part of that first page?          12 BY MR. BOGLE:          13 Q So the bottom of the first page just          14 introduces the e-mail. The text I just read you          15 is on the top of page 2.          16 A Oh, okay. Yeah, I see that now.          17 Q Okay. Now, John Kuczynski, he's in          18 what, sales?          19 A Yes.          20 Q Okay. So John responds back to Dale and          21 says: "What about the overall thresholds? Is he          22 adjusting everything?"          23 And the response by Dale to that on the          24 next e-mail is: "Michael didn't say. I will keep</p>	<p style="text-align: right;">Page 317</p> <p>1 was over the threshold.          2 BY MR. BOGLE:          3 Q So you're saying that in this time frame          4 in October 2010, McKesson would not call on          5 customers and say, Hey, you've hit your 80 percent          6 mark; do you want more?          7 MR. COLLINS: Objection.          8 BY MR. BOGLE:          9 Q Do you want to increase your threshold?          10 MR. COLLINS: Objection. Form, vague.          11 THE WITNESS: Not that I know of, no.          12 BY MR. BOGLE:          13 Q Okay. Do you recall ever being copied          14 on e-mails where customers were notified that they          15 had reached 75 or 80 percent of their threshold          16 and asked whether they want to increase it?          17 A I don't recall that, no.          18 Q Okay. So you don't know what this          19 80 percent report is that's being referenced here?          20 A I didn't say that. I do know what it          21 is.          22 Q What's the 80 percent report then?          23 A That they reached 80 percent of their          24 threshold.</p>

<p style="text-align: right;">Page 318</p> <p>1 Q Right. And that the customer will be  2 notified of that, right?</p> <p>3 A No, I already testified that that wasn't  4 the way I did it.</p> <p>5 Q And that's not how that would be done  6 for any customers of New Castle. Is that your  7 testimony?</p> <p>8 A Not that I know of, no.</p> <p>9 Q Okay.</p> <p>10 A I also wanted to add that it says here:  11 "Please attach usage report provided by customers  12 for all products as a part of the due diligence."</p> <p>13 Q Okay. But there's no report attached to  14 the document provided to us, right?</p> <p>15 A But it says it in the e-mail, so --</p> <p>16 Q It asks for it to be attached, right?</p> <p>17 MR. COLLINS: Objection.  18 Mischaracterization.  19 BY MR. BOGLE:</p> <p>20 Q There's no report attached. That's all  21 I can say. I mean, I see -- I hear what you're  22 adding here.</p> <p>23 A Yeah.</p> <p>24 Q But it's not here.</p>	<p style="text-align: right;">Page 320</p> <p>1 the middle. Do you see it's an e-mail from  2 Jennifer -- Jennifer Melvin to you and several  3 others? Do you see that, October 21, 2010?</p> <p>4 A Yes.</p> <p>5 Q And this references Martella's Pharmacy,  6 right?</p> <p>7 A Yes.</p> <p>8 Q And it says: "ServiceFirst" --  9 What is ServiceFirst?</p> <p>10 A It's a customer care center.</p> <p>11 Q Okay. Part of McKesson?</p> <p>12 A Yes.</p> <p>13 Q -- "has began calling on all of the NE  14 regions CSMP 85 to 99.99 percent threshold calls  15 this month."</p> <p>16 Do you see that?</p> <p>17 A Yes.</p> <p>18 Q "Evidently, Martella's was called by the  19 sales rep last month, and then both ServiceFirst  20 and the sales rep this month, and is upset that  21 his thresholds are not where he feels they should  22 be. Today ServiceFirst called on hydrocodone, the  23 account was at 91.58 percent, so they also would  24 have received a notice on their invoice."</p>
<p style="text-align: right;">Page 319</p> <p>1 MR. COLLINS: Objection. It's a  2 mischaracterization of the exact language in the  3 document.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q Is there any usage report attached to  6 this e-mail chain?</p> <p>7 A I don't see that you have it here.</p> <p>8 Q Okay. I have what was given to me.  9 And I want to look at some further  10 information on Martella's in this request for  11 threshold increases. The threshold increase that  12 were being requested in October of 2010, you're  13 the one that ultimately approved those, right?</p> <p>14 MR. COLLINS: Objection to the form.</p> <p>15 THE WITNESS: No.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q You weren't? Okay.  18 (Snider Exhibit No. 26 was marked  19 for identification.)</p> <p>20 BY MR. BOGLE:</p> <p>21 Q I hand you Exhibit 26, also marked as  22 1.1842.</p> <p>23 All right. So looking -- I want to  24 start by looking at an e-mail on the first page in</p>	<p style="text-align: right;">Page 321</p> <p>1 And then it says: "ServiceFirst only  2 makes one call per month to the account. We  3 wanted you to know that the account was very  4 unhappy and threatened to pull his business from  5 McKesson. Please review and see if there's  6 anything else that may need to be looked at  7 regarding his thresholds."</p> <p>8 Do you see that e-mail?</p> <p>9 A Yes.</p> <p>10 Q Okay. And so this indicates that  11 ServiceFirst and the sales rep responsible for  12 this account were certainly calling this customer  13 once -- in this instance, they reached the 85  14 percent mark, right?</p> <p>15 MR. COLLINS: Objection.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q Of the threshold.</p> <p>18 MR. COLLINS: Objection to the form.</p> <p>19 THE WITNESS: I don't know if it doesn't  20 mean that they called them because they were over  21 the threshold or that they called them first, but  22 I don't recall ServiceFirst doing this.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q Well, you see the sentence that says:</p>



<p style="text-align: right;">Page 322</p> <p>1 "Today ServiceFirst called on the hydrocodone, the  2 account was at 91.85 percent."  3 So that indicates a call was made before  4 they had reached the threshold, right? They're 91  5 percent.  6 MR. COLLINS: Objection to the form.  7 THE WITNESS: I think that's what  8 Jennifer is trying to say here.  9 BY MR. BOGLE:  10 Q Right. So that's news to you that those  11 kind of calls were being made before a threshold  12 was reached?  13 A I did not remember that.  14 Q Okay. It's your --  15 A Or like I say, I can't testify that they  16 weren't called because the previous month they  17 went over the threshold or that the customer  18 called them already. I don't know that.  19 Q What we do know here indicated from  20 Jennifer, she is saying ServiceFirst called them  21 on hydrocodone, at the very least, before the  22 threshold was reached.  23 A For whatever reason.  24 MR. COLLINS: Objection to the form.</p>	<p style="text-align: right;">Page 324</p> <p>1 Q You don't know?  2 A No, I don't remember from this e-mail.  3 Q Okay. But you wouldn't have approved it  4 anyway, right, because you don't -- you don't  5 approve threshold increases, right?  6 A I submit them and let the DRA, which I  7 think was Michael at the time, vet it out fully.  8 Q But you don't approve them yourself.  9 That's been your testimony throughout this  10 deposition, right?  11 A I submit them.  12 Q Right. But you don't approve them,  13 right?  14 A I submit them.  15 Q Okay. Well, I'm asking you, do you  16 approve them? Did you approve them in 2010?  17 MR. COLLINS: Objection to the form.  18 It's vague.  19 THE WITNESS: I submitted them.  20 BY MR. BOGLE:  21 Q Okay. Is there a difference in your  22 mind between submitting and approving a threshold  23 increase?  24 A Yes. The way you put the words, it's</p>
<p style="text-align: right;">Page 323</p> <p>1 BY MR. BOGLE:  2 Q All right. And then so John Kuczynski  3 responds to that e-mail on October 22, 2010, the  4 second paragraph, he says: "I'm meeting with  5 Martella's in about an hour, and I'm going to  6 reassure him that we are addressing this issue.  7 Please make sure every effort is made to adjust  8 their threshold levels prior to them hitting the  9 85 percent level to prevent omits or SF from  10 calling them."  11 SF being ServiceFirst, right?  12 A I would think.  13 Q Okay. Do you see that reference there?  14 A Yes.  15 Q Okay. And so this -- strike that.  16 So the hydrocodone increase in October  17 2010 that's being referenced here potentially, you  18 didn't approve that ultimately?  19 MR. COLLINS: Object.  20 BY MR. BOGLE:  21 Q Is that your testimony?  22 MR. COLLINS: Objection to the form.  23 THE WITNESS: No. I -- I don't know.  24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 325</p> <p>1 like I can make a threshold happen, and I'm trying  2 to testify that I cannot of and on my own put a  3 threshold through.  4 (Snider Exhibit No. 27 was marked  5 for identification.)  6 BY MR. BOGLE:  7 Q Okay. I'm handing you what's marked as  8 1.1843, Exhibit 27.  9 This is a continuation of the discussion  10 regarding Martella's. And you see here the last  11 e-mail, it's another SharePoint e-mail from  12 October 25, 2010, noting that the threshold  13 increase has been approved by you and Michael  14 Oriente for five drugs, including hydrocodone and  15 methadone, right, for Martella's?  16 MR. COLLINS: Objection to form.  17 THE WITNESS: That's what this e-mail  18 says from SharePoint.  19 BY MR. BOGLE:  20 Q And the hydrocodone increase was by  21 20 percent is what's indicated, right?  22 A Yes.  23 Q Methadone by 20 percent, right?  24 A Yes.</p>

<p style="text-align: right;">Page 326</p> <p>1 Q Okay. And the change type is noted to  2 be permanent. Right?</p> <p>3 A Yes.</p> <p>4 Q And this was approved without dispensing  5 data, wasn't it?</p> <p>6 MR. COLLINS: Objection. Assumes facts  7 not in evidence, form.</p> <p>8 THE WITNESS: I -- I disagree with that.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q Okay. You see where it says "DRA  11 approval comments" at the bottom, "Completed.  12 Please secure from customer hydrocodone dispensing  13 data ASAP." Do you see that?</p> <p>14 A I see it.</p> <p>15 Q Okay. So you're saying he already had  16 it, but for some reason he -- Mr. Oriente wanted  17 to get it again?</p> <p>18 MR. COLLINS: Objection. Argumentative,  19 form.</p> <p>20 THE WITNESS: I can't answer to what he  21 meant, but he -- he could have meant it was -- we  22 have the data.</p> <p>23 BY MR. BOGLE:</p> <p>24 Q It could have meant he -- you had the</p>	<p style="text-align: right;">Page 328</p> <p>1 A I'm sorry, I skipped the -- I was  2 looking at the one before that. "I met with Joel  3 Martella," you want the one above that?</p> <p>4 Q I'm reading the e-mail that you sent on  5 October 26, 2010.</p> <p>6 MR. COLLINS: Objection. The witness is  7 confused and lost. If you could direct him to  8 where you're --</p> <p>9 BY MR. BOGLE:</p> <p>10 Q Sure. October 26, 2010, second e-mail  11 on the page from you to John Kuczynski. I'll read  12 it again.</p> <p>13 "Can you get what Michael requested?  14 The usage was incomplete. I believe Dale said  15 something? I upped them to about the highest I've  16 ever done anyone as per previous e-mails."</p> <p>17 That's what you said to Mr. Kuczynski,  18 right?</p> <p>19 A Yes.</p> <p>20 Q You didn't say that Michael Oriente  21 upped them; you said you upped them, right?</p> <p>22 A Yes, but I can't do that myself. I  23 can't put a threshold through without DRA  24 approval.</p>
<p style="text-align: right;">Page 327</p> <p>1 data when he said you need to get the data. Is  2 that your testimony?</p> <p>3 MR. COLLINS: Objection. Form,  4 argumentative. Calls for speculation as to what  5 this witness thought somebody other -- somebody  6 else meant when they wrote something.</p> <p>7 THE WITNESS: I can't answer to what  8 Michael meant on that e-mail.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q Okay. Well, let's keep looking at this  11 e-mail chain.</p> <p>12 You then say on the next e-mail,  13 October 25, 2010, at 1:52, to John Kuczynski:  14 "John, when can you get the usage?"</p> <p>15 Do you see that?</p> <p>16 A Yes.</p> <p>17 Q Okay. Then your next e-mail to John on  18 October 26 says again: "Can you get what Michael  19 requested? The usage was incomplete. I believe  20 Dale said something," question mark. "I've upped  21 them to about the highest I've ever done anyone as  22 per previous e-mails. Will you be able to call to  23 discuss?"</p> <p>24 Do you see that?</p>	<p style="text-align: right;">Page 329</p> <p>1 Q But what you say here is that you upped  2 them, right? And you were a little concerned  3 about that, right --</p> <p>4 MR. COLLINS: Object --</p> <p>5 BY MR. BOGLE:</p> <p>6 Q -- because you didn't have the usage  7 data?</p> <p>8 MR. COLLINS: If that's a question, I  9 object. It's compound multiple ways. It's  10 argumentative.</p> <p>11 THE WITNESS: I asked the DRA to do his  12 due diligence, which he did. The pharmacy had  13 trouble with the usage data, and I said it was  14 incomplete. And I can't make it up them at any  15 point in time. I can't do that.</p> <p>16 BY MR. BOGLE:</p> <p>17 Q It was --</p> <p>18 A I can't even do it in the system.</p> <p>19 Q It was incomplete, but the threshold was  20 approved, right?</p> <p>21 MR. COLLINS: Objection.</p> <p>22 BY MR. BOGLE:</p> <p>23 Q And you're still concerned the next day  24 where is the data, right? That's what you're</p>

<p style="text-align: right;">Page 330</p> <p>1 talking about here, isn't it?</p> <p>2 MR. COLLINS: Objection. It's three</p> <p>3 questions. Compound. It's argumentative. It's</p> <p>4 been asked and answered.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q You're still looking for the data the</p> <p>7 next day, aren't you?</p> <p>8 A I'm making sure the due diligence is</p> <p>9 done. I don't know what Michael had.</p> <p>10 Q Well, you know that you had said that</p> <p>11 you upped it, and you wanted to see the data,</p> <p>12 right, because you didn't have it?</p> <p>13 MR. COLLINS: Objection. The question</p> <p>14 is compound again.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q Would you ask to see data that you had?</p> <p>17 A I didn't ask to see it.</p> <p>18 Q You didn't. You said: "Can you get</p> <p>19 what Michael requested?"</p> <p>20 A Yes.</p> <p>21 Q "I upped them to about the highest I've</p> <p>22 ever done anyone."</p> <p>23 A Right. That doesn't mean I did it</p> <p>24 because I can't. That's the point I'm trying to</p>	<p style="text-align: right;">Page 332</p> <p>1 Q Sir, was that a false statement when you</p> <p>2 made it in the e-mail?</p> <p>3 MR. COLLINS: Objection. Calls for</p> <p>4 speculation, argumentative.</p> <p>5 THE WITNESS: No.</p> <p>6 BY MR. BOGLE:</p> <p>7 Q Okay. And there were additional</p> <p>8 threshold increases approved for Martella's for</p> <p>9 hydrocodone after this date, right?</p> <p>10 MR. COLLINS: Objection. Assumes facts</p> <p>11 not in evidence. Lack of --</p> <p>12 BY MR. BOGLE:</p> <p>13 Q Do you know?</p> <p>14 MR. COLLINS: Lack of foundation.</p> <p>15 THE WITNESS: I don't know.</p> <p>16 (Snider Exhibit No. 28 was marked</p> <p>17 for identification.)</p> <p>18 BY MR. BOGLE:</p> <p>19 Q All right. Let's take a look at</p> <p>20 Exhibit 28, 1.1901.</p> <p>21 This is the following month, the first</p> <p>22 e-mail at the bottom from SharePoint, November 23,</p> <p>23 2010, to Joel Zwick, cc'ing several individuals,</p> <p>24 including you, right?</p>
<p style="text-align: right;">Page 331</p> <p>1 make: I can't up a threshold myself.</p> <p>2 Q Okay. So that just wasn't true when you</p> <p>3 said that.</p> <p>4 MR. COLLINS: Objection. Argue- --</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Right? That's a false statement?</p> <p>7 MR. COLLINS: Objection. Argumentative.</p> <p>8 You don't have to answer that.</p> <p>9 BY MR. BOGLE:</p> <p>10 Q True?</p> <p>11 Yeah, you do.</p> <p>12 MR. COLLINS: No, you don't.</p> <p>13 BY MR. BOGLE:</p> <p>14 Q That was a false statement when you made</p> <p>15 it in the e-mail --</p> <p>16 MR. COLLINS: Object.</p> <p>17 BY MR. BOGLE:</p> <p>18 Q -- is that your testimony?</p> <p>19 MR. COLLINS: Objection. Argumentative.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q You can answer it.</p> <p>22 MR. COLLINS: Argumentative. Object to</p> <p>23 the theatrics.</p> <p>24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 333</p> <p>1 A I'm sorry. It's from -- oh, to Joel</p> <p>2 Zwick?</p> <p>3 Q Yeah.</p> <p>4 A Yeah.</p> <p>5 Q Cc'ing multiple people, including you,</p> <p>6 right?</p> <p>7 A Yes.</p> <p>8 Q And this relates to a threshold change</p> <p>9 for Martella's in November 2010, right?</p> <p>10 A Yes.</p> <p>11 Q Okay. And this notes that Dale Nusser</p> <p>12 and Michael Oriente approving a 2,000 dose</p> <p>13 increase for hydrocodone for Martella's on</p> <p>14 November 23rd, right?</p> <p>15 MR. COLLINS: Objection. Foundation.</p> <p>16 THE WITNESS: The director of Regulatory</p> <p>17 Affairs approved it. I don't see the -- the</p> <p>18 record of it, but it looks like he says he</p> <p>19 approved it. I'm not sure.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. Well, the -- okay.</p> <p>22 And in the paragraph -- the second sort</p> <p>23 of paragraph there notes "Change type:</p> <p>24 Permanent," right?</p>

<p style="text-align: right;">Page 334</p> <p>1 A Yes, that's right.</p> <p>2 Q And the reason again being: "Business</p> <p>3 growth should be supported by corresponding sales</p> <p>4 increase."</p> <p>5 The same thing we've seen throughout the</p> <p>6 deposition, right?</p> <p>7 A It says: "New customer still adjusting</p> <p>8 thresholds to accommodate purchases. Also, there</p> <p>9 are four accounts under this DEA number. The</p> <p>10 number of scripts have increased for all four</p> <p>11 pharmacies."</p> <p>12 Q Okay. Do you see that there?</p> <p>13 A Yes.</p> <p>14 Q Okay. Do you see any proof of their</p> <p>15 purchases attached to this e-mail?</p> <p>16 A No.</p> <p>17 Q And Dale Nusser responds to this e-mail</p> <p>18 to John Kuczynski saying: "John, they are</p> <p>19 approved and ready to order for tomorrow."</p> <p>20 Do you see that?</p> <p>21 A Yes.</p> <p>22 Q And in 2016, you actually received a</p> <p>23 subpoena from the DEA for information about</p> <p>24 controlled substances that McKesson -- that the</p>	<p style="text-align: right;">Page 336</p> <p>1 November 30, 2016."</p> <p>2 And then it provides the location for</p> <p>3 Martella's, and it says it's currently serviced</p> <p>4 out of the New Castle No. 8772 Distribution</p> <p>5 Center.</p> <p>6 That's the number for New Castle, right?</p> <p>7 A Yes.</p> <p>8 Q "The DEA subpoena was faxed to director</p> <p>9 of operation for New Castle DC, Blaine Snyder."</p> <p>10 That's you, right?</p> <p>11 A Yes. It's spelled wrong, but that's me.</p> <p>12 Q I figured there is not another Blaine</p> <p>13 Snider.</p> <p>14 And if you go to .3, page .3 in this</p> <p>15 document, third page, there's a purchase history</p> <p>16 review section in the middle, and it says:</p> <p>17 "Current solver information for fiscal year '17,</p> <p>18 Quarter 2, revealed that the business control</p> <p>19 ratio is 21.17 percent. This is above the mean</p> <p>20 for control prescriptions in the New Castle DC."</p> <p>21 Do you see that?</p> <p>22 A Yes, I see it.</p> <p>23 Q So you see this is identifying a</p> <p>24 potential red flag with a ratio of the number of</p>
<p style="text-align: right;">Page 335</p> <p>1 New Castle center supplied to Martella's, right?</p> <p>2 MR. COLLINS: Objection. Foundation.</p> <p>3 THE WITNESS: I would have to see that.</p> <p>4 BY MR. BOGLE:</p> <p>5 Q You don't remember that?</p> <p>6 (Snider Exhibit No. 29 was marked</p> <p>7 for identification.)</p> <p>8 BY MR. BOGLE:</p> <p>9 Q All right. Exhibit 29, also</p> <p>10 Exhibit 1.1902.</p> <p>11 Okay. We see this is McKesson's</p> <p>12 Controlled Substance Monitoring Program,</p> <p>13 Regulatory Investigative Report dated December 15,</p> <p>14 2016.</p> <p>15 Do you see that?</p> <p>16 A Yes.</p> <p>17 Q Related to customer's name, Martella's</p> <p>18 Pharmacy, right?</p> <p>19 A Yes.</p> <p>20 Q And in the first paragraph under</p> <p>21 "Details," it says: "This report is in reference</p> <p>22 to a DEA administrative subpoena received on</p> <p>23 December 13, 2016, for all invoicing records for</p> <p>24 Martella's Pharmacy from January 1, 2015, through</p>	<p style="text-align: right;">Page 337</p> <p>1 controlled substances versus total purchases,</p> <p>2 right?</p> <p>3 A I can testify that I don't know this</p> <p>4 document and I've never seen this.</p> <p>5 Q Okay. So you don't know what that means</p> <p>6 when he says that?</p> <p>7 A I can't speculate on that.</p> <p>8 Q Okay. Well, you did receive the</p> <p>9 subpoena, you don't dispute that when it says that</p> <p>10 in this document?</p> <p>11 A No, I got -- if it says I did, I'm sure</p> <p>12 I got it --</p> <p>13 Q Okay.</p> <p>14 A -- and passed it on to Aaron.</p> <p>15 Q And Martella's orders were not blocked</p> <p>16 for controlled substances after the subpoena was</p> <p>17 received, right?</p> <p>18 MR. COLLINS: Objection. Foundation.</p> <p>19 THE WITNESS: I don't know.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q You don't know if your distribution</p> <p>22 center kept giving them pills?</p> <p>23 A I don't remember when they were blocked.</p> <p>24 I apologize. I just don't know.</p>

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1 Q Okay. You know, though, that just last  
 2 week the owner of Martella's was indicted on 109  
 3 counts of diversion of controlled substances,  
 4 right?  
 5 A Yes, I read that. Izzy sent that to me.  
 6 Q Okay. Sent it to you when?  
 7 A Tuesday or Wednesday.  
 8 Q Okay. So you've seen that recently,  
 9 right?  
 10 A Yes.  
 11 Q Okay. And you know that that indictment  
 12 pertains to controlled substances that were  
 13 provided to Martella's by your distribution  
 14 center, right?  
 15 MR. COLLINS: Objection. Lack of  
 16 foundation, assumes facts not in evidence.  
 17 THE WITNESS: I don't know if it says  
 18 that. I did not read that.  
 19 BY MR. BOGLE:  
 20 Q Do you know, though? I mean, when you  
 21 got this just a couple of days ago, did you look  
 22 and say, Boy, was my distribution center the one  
 23 giving them stuff?  
 24 MR. COLLINS: Objection. Calls for

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1 speculation. Foundation.  
 2 THE WITNESS: I read it.  
 3 BY MR. BOGLE:  
 4 Q Okay. But, again, you didn't follow up  
 5 to see if you guys were the ones supplying them?  
 6 A I will say this: It was in Izzy's hands  
 7 and the director of Regulatory Affairs. We used  
 8 to call it a Level III.  
 9 Q Okay. But you do know as of 2016, with  
 10 this DEA subpoena, and going back as far as 2010  
 11 in the documents we looked at, during that time  
 12 period certainly McKesson and your distribution  
 13 center specifically was supplying Martella's,  
 14 right?  
 15 MR. COLLINS: Objection. The question  
 16 is vague. Form.  
 17 THE WITNESS: I don't know if we were  
 18 supplying all of his controls or pharmaceuticals.  
 19 BY MR. BOGLE:  
 20 Q I didn't ask you if you were supplying  
 21 all. I said that you were supplying him, right?  
 22 A Some.  
 23 Q He was a customer.  
 24 MR. COLLINS: Objection. Form.

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1 BY MR. BOGLE:  
 2 Q He was a customer of McKesson's New  
 3 Castle Distribution Center --  
 4 A Yes.  
 5 Q -- during that time frame, right?  
 6 MR. COLLINS: Objection.  
 7 THE WITNESS: Yes, he was.  
 8 MR. COLLINS: Objection. The question  
 9 is --  
 10 BY MR. BOGLE:  
 11 Q And as we just saw from the e-mails we  
 12 just -- the e-mail and the investigative report  
 13 from 2016, those purchases included four opioids,  
 14 right?  
 15 MR. COLLINS: Objection. Assumes facts  
 16 not in evidence.  
 17 THE WITNESS: I don't know the subpoena,  
 18 but he did have opioid purchases.  
 19 (Snider Exhibit No. 30 was marked  
 20 for identification.)  
 21 BY MR. BOGLE:  
 22 Q Okay. I'm going to hand you what's  
 23 marked as Exhibit 30, 1.1905.  
 24 Do you see it's another DOJ press

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1 release from November 2nd, 2018, just a few days  
 2 ago. And the title is "Johnstown pharmacist  
 3 charged with -- charged in 109-count indictment  
 4 with illegally creating bogus prescriptions and  
 5 then dispensing the drugs."  
 6 Do you see that title?  
 7 A Yes, I do.  
 8 Q Okay. Thereafter it says: "A  
 9 Johnstown, PA, pharmacist has been indicted by a  
 10 federal grand jury in Pittsburgh on charges of  
 11 dispensing and distributing controlled substances  
 12 and conspiring to distribute and dispense  
 13 controlled substances, by United States Attorney  
 14 Scott W. Brady announced today."  
 15 Then it says: "The 109-count indictment  
 16 returned on October 30th named Joseph M. Martella,  
 17 53, of Johnstown, Pennsylvania."  
 18 Then it says: "According to the  
 19 indictment presented to the court, Martella owned  
 20 and operated Martella's Pharmacy located on  
 21 Franklin Street in Johnstown. The indictment  
 22 alleges that Martella, a pharmacist, conspired  
 23 with Dr. Peter James Ridella, who previously  
 24 pleaded guilty, and with an individual known as JR



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1 to create and submit unlawful prescriptions for  
2 oxycodone; oxycodone and acetaminophen, also known  
3 as Percocet; oxymorphone, also known as Opana;  
4 morphine sulfate, also known MS Contin; and  
5 hydrocodone and acetaminophen, also known as  
6 Vicodin, and then unlawfully dispensed those  
7 controlled substances to other persons."  
8 Do you see that?  
9 A I see that, yeah.  
10 Q Okay. And have you done any sort of  
11 investigation in the last week as to the time  
12 period covered in this indictment when these  
13 alleged violations occurred?  
14 MR. COLLINS: Objection. The question  
15 is vague. It's compound.  
16 THE WITNESS: No, I actually didn't see  
17 this article, but Izzy sent me another article  
18 about the newspaper.  
19 BY MR. BOGLE:  
20 Q Okay. So --  
21 A And --  
22 Q I'm sorry, go ahead.  
23 A I was told by the manager, Izzy's boss,  
24 to make sure I cut off Franklin Street Pharmacy,

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1 and I did. Oh, he does that. I just make sure  
2 there was no will-calls or anything.  
3 Q That was after the indictment, though,  
4 right?  
5 A Yes. Well, I believe so. It was, I  
6 believe, Sunday or Monday. I don't remember which  
7 day.  
8 Q Okay.  
9 (Snider Exhibit No. 31 was marked  
10 for identification.)  
11 BY MR. BOGLE:  
12 Q I'm handing you Exhibit 31 to your  
13 deposition, 1.1904.  
14 This is the actual indictment for  
15 Martella's. And if you look to the point I just  
16 asked you about the covered period for this  
17 conduct, on page 10, do you see the paragraph  
18 starts there "From in and around"?  
19 MR. COLLINS: I'm sorry. Can I have a  
20 proffer as to the relevance of this? It certainly  
21 doesn't involve Summit County, it doesn't involve  
22 Cuyahoga County, it doesn't involve the cities of  
23 Cleveland or Canton. Can I have a proffer as to  
24 the relevance?

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1 MR. BOGLE: No.  
2 MR. COLLINS: Okay.  
3 MR. BOGLE: You're entitled to nothing  
4 of the sort.  
5 MR. COLLINS: Okay. Well --  
6 BY MR. BOGLE:  
7 Q "From in and around April 2011 and  
8 continuing thereafter to in and around June 2016  
9 in the Western District of Pennsylvania, the  
10 Defendant Joseph M. Martella," and it goes on to  
11 repeat sort of the allegations I talked about as  
12 far as the diversion of controlled substances,  
13 including opioids.  
14 Do you see that?  
15 A Yes, I see it.  
16 Q Okay. So the time period April 2011  
17 to June 2016 -- first of all, April 2011, that's  
18 just a few months after you noted in an e-mail  
19 that you approved a threshold increase as high as  
20 you had ever done, right?  
21 MR. COLLINS: Objection.  
22 BY MR. BOGLE:  
23 Q Do you remember that e-mail?  
24 MR. COLLINS: Objection. The question

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1 is compound. It's actually three questions. It's  
2 also vague.  
3 BY MR. BOGLE:  
4 Q Do you remember the e-mail? We can pull  
5 it back out.  
6 A I sent --  
7 Q I'm happy to pull it back out.  
8 A I sent a threshold. That's what I  
9 testified to.  
10 Q All right. Let's pull it back out.  
11 1.1843, Exhibit 27. Do you have that  
12 e-mail?  
13 MR. COLLINS: Can you give an exhibit  
14 number?  
15 MR. BOGLE: 27.  
16 BY MR. BOGLE:  
17 Q Do you recall looking at this e-mail,  
18 the one on the first page here, the second e-mail  
19 on the page from October 26, 2010, where you tell  
20 John Kuczynski: "I upped them to about the  
21 highest I've ever done anyone as per previous  
22 e-mails"? Do you see that?  
23 A I see this.  
24 Q And that involved threshold increases

<p style="text-align: right;">Page 346</p> <p>1 for drugs including methadone and hydrocodone,  2 right?  3 MR. COLLINS: Objection. Lack of  4 foundation.  5 BY MR. BOGLE:  6 Q That's what the form says on the second  7 page.  8 MR. COLLINS: Objection. Foundation.  9 Vague. Argumentative.  10 THE WITNESS: Yes. I see that Michael  11 approved that.  12 BY MR. BOGLE:  13 Q Okay. You also see your e-mail where  14 you say you upped it, right?  15 A I already discussed that. I didn't up  16 it. I sent the threshold request. I keep saying  17 that.  18 Q Right, right.  19 Some few -- just a few months before the  20 covered period of conduct discussed in the  21 indictment we just looked at, right?  22 MR. COLLINS: Objection. Compound.  23 THE WITNESS: I don't know.  24 MR. COLLINS: Lack of foundation.</p>	<p style="text-align: right;">Page 348</p> <p>1 BY MR. BOGLE:  2 Q Do you see that?  3 MR. COLLINS: See what?  4 BY MR. BOGLE:  5 Q See that in the indictment? The covered  6 period was just a few months after the threshold  7 that you said you upped.  8 MR. COLLINS: Objection.  9 Mischaracterization.  10 BY MR. BOGLE:  11 Q For hydrocodone and methadone for this  12 pharmacy.  13 MR. COLLINS: Objection. The question  14 is compound. It's also argumentative.  15 THE WITNESS: I see what it says now.  16 MR. BOGLE: I'm moving to a whole other  17 topic area. If we can take a break, and we'll  18 reload documents.  19 THE VIDEOGRAPHER: The time is 2:47 p.m.  20 We're going off the record.  21 (Recess.)  22 THE VIDEOGRAPHER: The time is 3:03 p.m.  23 We're back on the record.  24 BY MR. BOGLE:</p>
<p style="text-align: right;">Page 347</p> <p>1 BY MR. BOGLE:  2 Q The covered period starting April 2011?  3 MR. COLLINS: I'm sorry. The question  4 is irrelevant to this litigation.  5 MR. BOGLE: I doubt that.  6 BY MR. BOGLE:  7 Q Do you see that?  8 MR. COLLINS: I'm sorry. What's the  9 question?  10 BY MR. BOGLE:  11 Q Back to -- back to Exhibit 1.1904,  12 Exhibit 31, covered period beginning April 2011.  13 MR. COLLINS: What's the --  14 BY MR. BOGLE:  15 Q Just a few months after the -- you  16 granting them the biggest increase you had ever  17 done.  18 MR. COLLINS: What's the question?  19 BY MR. BOGLE:  20 Q Do you see that?  21 MR. COLLINS: I'm sorry. That's not a  22 proper question. You need to ask a legitimate,  23 proper question.  24 MR. BOGLE: No, I'm good with that one.</p>	<p style="text-align: right;">Page 349</p> <p>1 Q All right. Mr. Snider, I want to shift  2 gears to a different topic area.  3 We talked about earlier that Ohio was  4 one of the states that customers -- that your New  5 Castle Distribution Center services, right?  6 A Yes.  7 Q And you know that Ohio in recent years  8 has had a high level of abuse and diversion of  9 opioids within that state, right?  10 MR. COLLINS: Objection. Form.  11 Foundation.  12 THE WITNESS: I know it's in the papers,  13 yes.  14 BY MR. BOGLE:  15 Q Okay. And you've read those stats,  16 right?  17 A Yes.  18 Q On that topic.  19 MR. COLLINS: Objection. Form.  20 THE WITNESS: Yeah.  21 BY MR. BOGLE:  22 Q Okay. I want to hand you what I'm  23 marking as Exhibit 1.1434, so Exhibit 32.  24 (Snider Exhibit No. 32 was marked</p>

<p style="text-align: right;">Page 350</p> <p>1 for identification.)</p> <p>2 BY MR. BOGLE:</p> <p>3 Q This is an e-mail from Krista Peck to a</p> <p>4 large group of individuals, June 10, 2014. Do you</p> <p>5 see that?</p> <p>6 MR. COLLINS: Objection. Foundation.</p> <p>7 THE WITNESS: Yes. It looks --</p> <p>8 BY MR. BOGLE:</p> <p>9 Q Okay. And noted in the e-mail, it says:</p> <p>10 "Attached is the regulatory presentation to the DC</p> <p>11 Ops team at National Sales Conference (NSC) in</p> <p>12 May."</p> <p>13 Do you see that?</p> <p>14 A Yes.</p> <p>15 Q So the DC ops is DC operations,</p> <p>16 distribution center operations?</p> <p>17 A Yes.</p> <p>18 Q Okay. So that's a meeting you would</p> <p>19 have attended, right?</p> <p>20 A What year is it?</p> <p>21 MR. COLLINS: Objection.</p> <p>22 BY MR. BOGLE:</p> <p>23 Q 2014.</p> <p>24 MR. COLLINS: Objection. Form.</p>	<p style="text-align: right;">Page 352</p> <p>1 "Current Rx Drug Diversion Trends"? Do you see</p> <p>2 that?</p> <p>3 A Yes.</p> <p>4 Q Okay. And then it lists various states</p> <p>5 and various opioid products, right?</p> <p>6 A Yes.</p> <p>7 Q Okay. And for oxycodone, for example,</p> <p>8 Ohio is ranked as number 5 for drug diversion,</p> <p>9 right?</p> <p>10 MR. COLLINS: Objection. Foundation.</p> <p>11 BY MR. BOGLE:</p> <p>12 Q As of 20 -- as of 2013 is what it</p> <p>13 indicates there.</p> <p>14 A That's I think what it indicates.</p> <p>15 Q Okay. Hydrocodone -- Ohio is listed as</p> <p>16 number 7 in drug diversion for hydrocodone, right?</p> <p>17 A That's what it looks like, yes.</p> <p>18 Q Hydromorphone, number 8 for Ohio, right?</p> <p>19 A Yes.</p> <p>20 Q And for oxymorphone, number 7 for the</p> <p>21 state of Ohio as far as drug diversion.</p> <p>22 A Yes. I don't know the quantification</p> <p>23 for drug diversion, but I see the slide for sure.</p> <p>24 Q And then as far as the authority for</p>
<p style="text-align: right;">Page 351</p> <p>1 THE WITNESS: I don't know if I attended</p> <p>2 that one.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Okay. Is that a meeting you generally</p> <p>5 would attend?</p> <p>6 A Normally, I do. I'm not sure, in 2014,</p> <p>7 I was exempted because I believe I was -- that's</p> <p>8 when I was putting up a new distribution center in</p> <p>9 Delran.</p> <p>10 Q Okay. Would you have -- if you did not</p> <p>11 attend this specific session, would you generally</p> <p>12 have requested the materials that were passed</p> <p>13 out --</p> <p>14 MR. COLLINS: Objection.</p> <p>15 BY MR. BOGLE:</p> <p>16 Q -- so you could catch up to speed?</p> <p>17 MR. COLLINS: Objection. Form.</p> <p>18 THE WITNESS: I certainly would think</p> <p>19 so, yes.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. So I want to look at the -- just</p> <p>22 one slide from this PowerPoint deck that was</p> <p>23 presented in 2014. If you go to page .13.</p> <p>24 Do you see there is a slide titled</p>	<p style="text-align: right;">Page 353</p> <p>1 this, it's noted below the chart: "States with</p> <p>2 highest pharmacy dispensing data 2012. Source:</p> <p>3 DEA Distributors Conference, October 2013."</p> <p>4 Do you see that as the reference?</p> <p>5 A I see that.</p> <p>6 Q Okay. As far as Ohio pharmacies go,</p> <p>7 Acme Pharmacy was a pharmacy that you guys</p> <p>8 serviced out of the New Castle Distribution</p> <p>9 Center, right?</p> <p>10 A Can you say that again?</p> <p>11 Q Acme, A-C-M-E.</p> <p>12 A I'm sorry, I don't remember that.</p> <p>13 Q You don't remember Acme?</p> <p>14 A No.</p> <p>15 Q Okay. Specifically, Acme in Summit</p> <p>16 County, does that ring a bell at all?</p> <p>17 A No. I'm sorry.</p> <p>18 Q Okay. That's fair. That's fine.</p> <p>19 How about Summit Pain Specialists, do</p> <p>20 you recall hearing them, that name?</p> <p>21 A No, I don't.</p> <p>22 Q Okay. Were you ever made aware that in</p> <p>23 2010, Summit Pain Specialists reached out to</p> <p>24 McKesson for assistance in opening up its own</p>

<p style="text-align: right;">Page 354</p> <p>1 pharmacy?</p> <p>2 A No, I was not aware of that.</p> <p>3 Q Okay. I'm handing you what I'm marking</p> <p>4 as Exhibit 33, 1.1896.</p> <p>5 (Snider Exhibit No. 33 was marked</p> <p>6 for identification.)</p> <p>7 BY MR. BOGLE:</p> <p>8 Q I want to start with the e-mail that</p> <p>9 starts on page .4 at the bottom, from Becky Suglio</p> <p>10 to a Kim Diemand, October 18, 2010.</p> <p>11 Do you see that e-mail at the very</p> <p>12 bottom?</p> <p>13 A Yes.</p> <p>14 Q Okay. It says -- in the second</p> <p>15 sentence, it says: "I am the administrator of</p> <p>16 Summit Pain Specialists, and I'm considering</p> <p>17 putting some type of pharmacy within the pain</p> <p>18 center. The physicians write for approximately</p> <p>19 500 scripts per day, 3,000 per week."</p> <p>20 And skipping a sentence, it says: "With</p> <p>21 this type of volume and professionalism and</p> <p>22 respect of this practice, I am certain that a</p> <p>23 pharmacy that would just serve their patients</p> <p>24 would be profitable for all parties."</p>	<p style="text-align: right;">Page 356</p> <p>1 He says: "How many days a week would</p> <p>2 this thing operate? If you do the math, you would</p> <p>3 have 600 scripts a week per doctor. That's 100 a</p> <p>4 day in a six-day week and 120 per day per doctor</p> <p>5 in a five-day. How much face time would each</p> <p>6 patient be getting and does it pass the sniff test</p> <p>7 with the BOP?"</p> <p>8 What's BOP, do you know?</p> <p>9 A Board of Pharmacy, I would guess.</p> <p>10 Q Okay. "I am assuming they would be</p> <p>11 getting all licenses and that it would be all</p> <p>12 above board, but I'm curious as to how they handle</p> <p>13 that volume and extend the right time/care to each</p> <p>14 patient. I would also want to know how the DEA or</p> <p>15 BOP views the potential for a built-in conflict of</p> <p>16 interest by having a financial benefit for doctors</p> <p>17 and/or the owner of the pain clinic implied in</p> <p>18 writing more, not fewer, scripts. Do you know</p> <p>19 what I mean?"</p> <p>20 And he says: "We are not in a position</p> <p>21 to advise the customer, but certainly they will</p> <p>22 need to cross every T and dot every I."</p> <p>23 Do you see that e-mail?</p> <p>24 MR. COLLINS: Objection. Lack of</p>
<p style="text-align: right;">Page 355</p> <p>1 And skipping a sentence thereafter, it</p> <p>2 says: "I think this would be an opportunity for</p> <p>3 McKesson to get involved in some type of</p> <p>4 ownership/partnership with the physicians and</p> <p>5 agree to put forth the meds until the pharmacy has</p> <p>6 cash flow 45 to 60 days out. What are your</p> <p>7 thoughts?"</p> <p>8 Do you see that e-mail?</p> <p>9 A I see that e-mail, yeah.</p> <p>10 Q Okay. And then going up, there's a</p> <p>11 response from Kim Diemand, November 2nd, 2010,</p> <p>12 that copies a few more people within McKesson.</p> <p>13 The second sentence she says: "This is</p> <p>14 a pain clinic with five doctors that write around</p> <p>15 3,000 scripts a week."</p> <p>16 Do you see that?</p> <p>17 MR. COLLINS: Objection. Lack of</p> <p>18 foundation, lack of firsthand knowledge.</p> <p>19 THE WITNESS: I see that.</p> <p>20 BY MR. BOGLE:</p> <p>21 Q Okay. And then following up there,</p> <p>22 there's a response from Dave Gustin that starts at</p> <p>23 the bottom of .3 and carries over on November 2nd,</p> <p>24 2010.</p>	<p style="text-align: right;">Page 357</p> <p>1 foundation. Lack of firsthand knowledge.</p> <p>2 THE WITNESS: I see the e-mail.</p> <p>3 BY MR. BOGLE:</p> <p>4 Q Okay. And you would agree that a doctor</p> <p>5 writing a hundred scripts a day for controlled</p> <p>6 substances, that's a -- that's a high number,</p> <p>7 isn't it?</p> <p>8 MR. COLLINS: Objection. Vague, form,</p> <p>9 calls for speculation.</p> <p>10 THE WITNESS: I can't answer to this</p> <p>11 e-mail what happened. I wasn't involved.</p> <p>12 BY MR. BOGLE:</p> <p>13 Q I'm not asking you what happened. I'm</p> <p>14 asking a hundred scripts a day for controlled</p> <p>15 substances by one -- per doctor, do you think</p> <p>16 that's a high number?</p> <p>17 A I'm not sure.</p> <p>18 Q You don't know. Okay.</p> <p>19 And then if you go to the first page of</p> <p>20 this e-mail chain, the top e-mail from John</p> <p>21 Kuczynski, November 4, 2010, third paragraph he</p> <p>22 says: "We are definitely going to have to do some</p> <p>23 serious diligence on this. Dave's point regarding</p> <p>24 the math not adding up to proper doctor/patient</p>

<p style="text-align: right;">Page 358</p> <p>1 relationship is a serious concern. Also of 2 concern, physicians owning the pharmacy may not be 3 against the law in Ohio but raises the questions 4 of conflict of interest. The more you write, the 5 more you make." 6 And it says: "One of their primary 7 offices seems to be in Cuyahoga Falls, close to 8 Klein's." 9 Klein's is a customer of New Castle as 10 well, right? 11 A Oh, Yes. 12 Q Okay. "I believe it opened within the 13 last year and has caused Klein's to request CSMP 14 threshold increases due to scripts coming from the 15 clinic." 16 Do you see that? 17 A I see that, yes. 18 Q Okay. And shortly after these 19 communications went back and forth in late 2010, 20 you were looped in to the concerns about Summit 21 Pain Specialists and their prescribing practices, 22 right? 23 MR. COLLINS: Objection. 24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 360</p> <p>1 Access Health for contract management, but they 2 are looking at taking their business model 3 national." 4 And the last paragraph says, to somebody 5 named Chris: "As we discussed, Dr. Bressi is 6 talking about taking his concept national and 7 asked if we had people who helped to open new 8 pharmacies. That's where I thought you would come 9 in. He wants to get his pharmacy opened and then 10 take it to his peers, whom he says represent 45 11 percent of the pain market." 12 Do you see that? 13 A Yes. 14 Q Okay. And then going up from there, the 15 next e-mail is from you forwarding that e-mail 16 below to Mr. Oriente, correct? You say "FYI." 17 A Yes. 18 Q Okay. Then he responds back to you with 19 the e-mail from June 16, 2011, that says: "Some 20 comments from patients. One not so good. His 21 brother OD'd, and the last comment says how busy 22 they are. I think we would need a closer physical 23 visit." 24 Do you see that?</p>
<p style="text-align: right;">Page 359</p> <p>1 Q Do you recall that? 2 MR. COLLINS: Objection. Foundation. 3 THE WITNESS: No. 4 BY MR. BOGLE: 5 Q Okay. 6 (Snider Exhibit No. 34 was marked 7 for identification.) 8 BY MR. BOGLE: 9 Q Let's take a look at Exhibit 34, 1.1877. 10 First of all, we're going to start from 11 the earliest e-mail in time, but the top e-mail, 12 which includes all of the e-mails before it, do 13 you see it's from Michael Oriente to you, June 16, 14 2011, right? At the top. 15 A Yes. 16 Q Okay. Let's go back and look at the 17 e-mails that come before that. So it starts at 18 the bottom of the first page from Steve Kravec, 19 June 14, 2011. And the substance of the e-mail is 20 on the second page. 21 It says there: "I just got off the 22 phone with Dr. James Bressi and Becky Suglio from 23 Summit Pain Specialists. The bulk of the 24 conversation was over their ability to utilize</p>	<p style="text-align: right;">Page 361</p> <p>1 A Yes. 2 Q Okay. So does this jog your memory at 3 all about any discussions about Summit Pain 4 Specialists? 5 A No. I don't even know if we put them on 6 as a customer, and I don't know Kim Diemand or 7 Steve Kravec was a sales exec. I don't really 8 know him very well. 9 Q Okay. And you said Acme Pharmacy 10 doesn't ring a bell for you either, huh? 11 A No, I'm sorry. 12 Q Okay. 13 A We don't have them now, I know that. 14 Q I agree with that. 15 (Snider Exhibit No. 35 was marked 16 for identification.) 17 BY MR. BOGLE: 18 Q Well, let's take a look then at the next 19 exhibit, 1.1870, which is also Exhibit 35. 20 MR. COLLINS: What number? 21 MR. BOGLE: Exhibit 35. 22 MR. COLLINS: Thank you. 23 BY MR. BOGLE: 24 Q Okay. And you see this is an e-mail</p>



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1 chain that pertains to Acme Pharmacy No. 30. Do  
2 you see that generally?  
3 A I see "Topco" on here. It says "Acme"  
4 at the top. Yes.  
5 Q Okay. So let's start with the e-mails  
6 on page .2 and work our way back towards the  
7 front.  
8 The bottom e-mail on .2 says -- it's  
9 from Denise Joslyn to Joe Lahovich, December 5,  
10 2010, entitled "CSMP Acme." Do you see that?  
11 A Yes, on December 5th?  
12 Q Yep. And she says there: "Joe, I'm not  
13 sure who this should be sent to. Please let me  
14 know if this account needs an increase to the  
15 threshold below. Please provide a business reason  
16 for this request."  
17 And it lists -- Acme Pharmacy No. 30,  
18 oxycodone, lists their current monthly threshold  
19 as 16,000. Do you see that?  
20 A I see that.  
21 Q Okay. And then the next e-mail up  
22 says -- from Joe, December 5, 2012, says: "Acme  
23 Pharmacy No. 30 is located in the local hospital  
24 systems medical building. The local hospitals'

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1 facility is Akron General Wellness Center. Within  
2 the building is a large pain management practice,  
3 which the pharmacy serves its patients. Due to  
4 the practice, Acme Pharmacy No. 30 dispenses a  
5 large quantity of oxycodone and other pain  
6 medications."  
7 Do you see that reference?  
8 A I see that sentence.  
9 Q Okay. And then there's a discussion  
10 with Denise Joslyn asking the pharmacy: "Based on  
11 the below, how much do we need to increase?"  
12 MR. COLLINS: Objection.  
13 BY MR. BOGLE:  
14 Q Do you see that e-mail?  
15 MR. COLLINS: Objection. Foundation.  
16 THE WITNESS: I don't know what that is.  
17 I don't know Denise. It says "Joe." I'm not sure  
18 who this could be sent to.  
19 BY MR. BOGLE:  
20 Q All right. Well, let's take a look.  
21 The response from December 6, 2012, at the top of  
22 the e-mail from Joe Lahovich, his e-mail is noted  
23 to be Acme Stores, right? At the top of .2, the  
24 top e-mail.

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1 MR. COLLINS: Objection.  
2 THE WITNESS: AcmeStores.com.  
3 MR. COLLINS: I'm sorry. Objection.  
4 BY MR. BOGLE:  
5 Q AcmeStores.com, right?  
6 MR. COLLINS: Objection. Form, lack of  
7 foundation.  
8 BY MR. BOGLE:  
9 Q Do you see that?  
10 A I see it on here, yes.  
11 Q Okay. So -- and this is who she sent  
12 the initial e-mail to, so again this would  
13 indicate that the thresholds at least for Acme,  
14 when they were reaching a certain percentage, were  
15 being sent to them. They were at 88.13 percent  
16 when they were notified about their oxycodone  
17 threshold, the first e-mail we looked at, right?  
18 MR. COLLINS: Objection. Total lack of  
19 foundation for this entire line of inquiry. Lack  
20 of firsthand knowledge. You can testify to it.  
21 This witness hasn't.  
22 MR. BOGLE: He's on the whole -- he's  
23 copied on the whole e-mail chain.  
24 MR. COLLINS: You haven't established

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1 this witness has any firsthand knowledge of this.  
2 MR. BOGLE: We're getting there, man.  
3 MR. COLLINS: Well, establish it first  
4 and then we have a foundation.  
5 MR. BOGLE: Well, we'll get there.  
6 THE WITNESS: I'm sorry.  
7 BY MR. BOGLE:  
8 Q Okay. So my question was, the bottom  
9 e-mail I looked at with you first because you --  
10 you said before that customers don't get notified  
11 of their thresholds prior to reaching them. Do  
12 you remember that testimony?  
13 A Yes. I don't remember the context,  
14 though.  
15 Q Yeah. Well, you see here the first  
16 e-mail that I looked at with you from Denise  
17 Joslyn to Joe Lahovich at Acme, she's literally  
18 listing out his monthly threshold and telling him  
19 exactly how much they've used for that month,  
20 right?  
21 A I have no recollection of ever seeing  
22 this e-mail.  
23 Q You see it now, don't you?  
24 A I see what Joe and Denise were talking

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1 about, yes.  
2 Q Right. And what they're talking about  
3 are the specific thresholds for Acme Pharmacy for  
4 oxycodone, right?  
5 MR. COLLINS: Objection. Lack of  
6 foundation.  
7 BY MR. BOGLE:  
8 Q That's what the chart says, doesn't it?  
9 MR. COLLINS: Object.  
10 THE WITNESS: I cannot testify to that.  
11 BY MR. BOGLE:  
12 Q You don't know what that says?  
13 A I can't testify what it says.  
14 Q Okay. All right. Let's go back up  
15 then, the top of this -- the top e-mail on this  
16 page where Joe says: "70,000 per oxycodone  
17 products." And he says: "Query from No. 30  
18 e-mailed. The warehouse says my oxycodone 30  
19 milligram limit is 4,000, not 8,000. My limit is  
20 16,000 total oxycodone. Of that 4,000 can be  
21 oxycodone, 30 milligrams. I need at least 10,000  
22 generic Percocet, 10/325 alone to make it a month.  
23 I figure a limit of 70,000 is needed to safely get  
24 through a month with all oxycodone products."

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1 Do you see that?  
2 A I see what this Joe said. I don't know  
3 him.  
4 Q Yeah. And 70,000 doses a month for  
5 oxycodone is a huge number, isn't it?  
6 A For Joe, it might be. I don't know. I  
7 can't testify to what Joe was doing there.  
8 Q What about for the oxycodone that you  
9 historically distributed from New Castle, how does  
10 70,000 a month for oxycodone fit? Is that about  
11 right? Is that normal?  
12 MR. COLLINS: Objection. The question  
13 is inherently vague.  
14 BY MR. BOGLE:  
15 Q I'm asking you if 70,000 seems high to  
16 you. This is what you do every day.  
17 A I can't --  
18 MR. COLLINS: Objection to the form.  
19 THE WITNESS: I can't testify that this  
20 person got 70,000. I've never seen this e-mail  
21 before.  
22 BY MR. BOGLE:  
23 Q Do you think he didn't?  
24 A I don't know.

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1 Q Okay. Well, if you go back to  
2 Exhibit 1.1568, which is Exhibit 9. Keep that one  
3 out there with the 70,000 doses.  
4 A That what, keep --  
5 Q Keep that next to you, but I want you to  
6 pull this one out too, Exhibit 9.  
7 A Nine?  
8 Q Yeah.  
9 MR. COLLINS: I think they should be in  
10 order.  
11 THE WITNESS: Well, kind of.  
12 MR. COLLINS: Let me get mine.  
13 BY MR. BOGLE:  
14 Q You got Exhibit 9?  
15 A Yes.  
16 Q Okay. So this was the "Understand  
17 ARCOS" dated document talking about, on the first  
18 page, the 2012 DEA ARCOS average numbers per  
19 dosage units for various opioids, and if you look  
20 at oxycodone, the annual average per the DEA in  
21 2012 was 75,584 doses a year. Do you see that?  
22 A (The witness nods.)  
23 Q Yes?  
24 A Yes.

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1 Q Okay. And what Acme is requesting here  
2 is just about that much per month. Right?  
3 MR. COLLINS: Objection. Lack of  
4 foundation.  
5 BY MR. BOGLE:  
6 Q They're asking for 70,000 doses a month,  
7 right?  
8 MR. COLLINS: Objection. Compound, lack  
9 of foundation, lack of firsthand knowledge.  
10 THE WITNESS: I'm not aware of anything  
11 except this e-mail right here. I can't testify to  
12 what he's asking for or if he's a hospital or  
13 anything else. I'm not --  
14 BY MR. BOGLE:  
15 Q Well, you see that it says that they're  
16 a pharmacy located in a medical building that's  
17 affiliated with a pain medication facility.  
18 That's what it says and what we just read, right?  
19 MR. COLLINS: Objection. Lack of  
20 foundation. You haven't established this witness  
21 had any knowledge of this.  
22 THE WITNESS: I'm not even familiar if  
23 we ever put this customer onboard. I'm sorry.  
24 BY MR. BOGLE:

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1 Q Okay. Well, you're copied on this whole  
2 e-mail chain, right?  
3 A I don't remember.  
4 Q Look at the top e-mail from Denise  
5 Joslyn to Michael Oriente, copying you. Do you  
6 see that? The top e-mail of the document.  
7 A Yes.  
8 Q Okay. And you understand that when you  
9 get copied on something, you get included on the  
10 whole -- you get to see the whole chain before it,  
11 right?  
12 MR. COLLINS: Objection to the form.  
13 BY MR. BOGLE:  
14 Q That's how e-mails work, right?  
15 A I do know how e-mails work --  
16 Q Right.  
17 A -- but I don't remember this e-mail  
18 ever.  
19 Q Okay. That's fair.  
20 But my simple question to you was, since  
21 you were copied on this e-mail chain, you've seen  
22 this e-mail before. Whether you read it, I don't  
23 know. But 70,000 doses a month is what Acme is  
24 requesting, which is nearly the national average

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1 per year for oxycodone for pharmacies at that  
2 point in time.  
3 Do you see that reference at least?  
4 MR. COLLINS: Object -- the question is  
5 objectionable on multiple grounds. It assumes  
6 that he read the e-mail, which is what your  
7 question said. You haven't established that.  
8 Lack of foundation. Lack of firsthand knowledge.  
9 BY MR. BOGLE:  
10 Q Okay. So do you see they were  
11 requesting 70,000 doses of oxycodone a month,  
12 compare -- and you compare that to the DEA  
13 national average annually for pharmacies, which  
14 was 75,584 a year was the average in 2012. Do you  
15 see that?  
16 A I can't testify to this. I've never  
17 seen this before.  
18 Q Okay. Well, you're on the e-mail chain,  
19 right? You're saying you never read this e-mail  
20 chain?  
21 A I don't remember reading it, no.  
22 Q Okay. But are you saying you didn't  
23 read it definitively?  
24 MR. COLLINS: Objection. Argumentative.

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1 THE WITNESS: I'll testify that I don't  
2 remember reading it. I don't even remember the  
3 Acme.  
4 BY MR. BOGLE:  
5 Q Do you typically not read e-mails  
6 you're -- you're copied on?  
7 MR. COLLINS: Objection. Argumentative.  
8 THE WITNESS: I can't say typically.  
9 BY MR. BOGLE:  
10 Q Okay. But what you can say is that what  
11 they're asking for per month is just shy of the  
12 average per year for pharmacies in this country in  
13 2012, right? We can agree on that.  
14 MR. COLLINS: Objection. Assumes facts  
15 not in evidence. It hasn't even been established.  
16 MR. BOGLE: It's right here, Exhibit 9.  
17 Just talked about it.  
18 MR. COLLINS: Because -- because it's in  
19 a document, it's established?  
20 MR. BOGLE: Well, that's what -- I mean,  
21 if you dispute that's what the DEA says, I guess  
22 we can deal with that later, but --  
23 MR. COLLINS: Objection.  
24 BY MR. BOGLE:

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1 Q Do you see that in Exhibit 9? 75,584 a  
2 year was the average in 2012.  
3 MR. COLLINS: Objection. The entire  
4 line of question lacks foundation.  
5 BY MR. BOGLE:  
6 Q Do you see that?  
7 A Yes.  
8 Q Okay. All right. Well, let's see --  
9 let's see what you guys did do with this.  
10 So, going back to Exhibit 1.1870, I'm  
11 going to the first page now, it's the second  
12 e-mail in the chain down from Michael Oriente to  
13 Denise Joslyn, copying you and Joe Lumpkin,  
14 December 6, 2012.  
15 He says: "Denise, submit a threshold  
16 change for a 25 percent increase. A 70,000-dose  
17 threshold is more than most of our customers.  
18 This account will be under Joe Lumpkin out of New  
19 Castle. He will have the final say. I will  
20 approve a 25 percent for the month until Joe can  
21 get there for a visit for such a threshold review.  
22 We'll want the top five prescribers that are  
23 writing scripts that are being filled at this  
24 location and dispensing data minus any patient

<p style="text-align: right;">Page 374</p> <p>1 info for the last three months for all 2 oxycodone-based products." 3 Do you see that? 4 A I see that. 5 Q So on an e-mail you're copied on here, 6 you can at least see that a 25 percent increase 7 was approved without any further data being 8 provided, right? 9 MR. COLLINS: Objection. Foundation. 10 THE WITNESS: I cannot answer to that. 11 BY MR. BOGLE: 12 Q Okay. 13 A I don't know. 14 Q Do you see any reference to any data 15 that he's reviewed? In fact, he's asking for data 16 after he's already approved it, right? 17 MR. COLLINS: Objection. Foundation, 18 form. 19 THE WITNESS: I don't know that. 20 BY MR. BOGLE: 21 Q Do you see any indication that he says, 22 I've reviewed data already to support this 25 23 percent increase? 24 MR. COLLINS: Objection. Calls for</p>	<p style="text-align: right;">Page 376</p> <p>1 "Please let me know if we need to make any 2 changes. If you need an increase, please provide 3 a business reason." 4 Again, similar chart except this time 5 showing a monthly threshold of 35,000 for 6 oxycodone. Do you see that? 7 MR. COLLINS: Objection. Foundation. 8 THE WITNESS: I see what Denise wrote, 9 yes. 10 BY MR. BOGLE: 11 Q Okay. And you see that in the chart, 12 right? 13 A I see it now. 14 Q And you see Joe's response in the e-mail 15 above says: "Please increase the threshold to 16 70,000 units for this product class. Their limit 17 was 46,000 last month. They need a limit of 18 70,000 to meet the needs of the patients of Summit 19 Pain Management Practice in the pharmacy's medical 20 building." 21 Do you see that? 22 A Yes, I see that. 23 Q And prior to today, do you have any 24 awareness that Summit Pain Management was actually</p>
<p style="text-align: right;">Page 375</p> <p>1 speculation, form, foundation. 2 BY MR. BOGLE: 3 Q If you see it in the e-mail, feel free 4 to point it out to me. 5 A I can't respond to that. I don't know 6 what he did. 7 Q Right. I'm asking in the e-mail does he 8 reference that he's reviewed any data to support 9 that increase? 10 A I don't know that. 11 Q You don't know if the e-mail says that 12 one way or the other? 13 A Yes. 14 Q Okay. 15 (Snider Exhibit No. 36 was marked 16 for identification.) 17 BY MR. BOGLE: 18 Q All right. Let's take a look at 19 Exhibit 36, 1.1874. 20 All right. Here's another series of 21 e-mails, this now from -- we're into -- from 22 December now into January. 23 It's an e-mail from Denise Joslyn again 24 to Joe Lahovich at Acme, January 11, 2013, saying:</p>	<p style="text-align: right;">Page 377</p> <p>1 located in the same building as Acme Pharmacy? 2 A No. 3 Q Were you aware that they were providing 4 almost a hundred percent of the prescriptions for 5 Acme Pharmacy that they were filling for 6 controlled substances? 7 MR. COLLINS: Objection. Form, 8 foundation. 9 THE WITNESS: No, I testified that I 10 don't remember anything about Acme Pharmacy and 11 wasn't on this e-mail. 12 BY MR. BOGLE: 13 Q Okay. So you don't know the 14 relationship between the two entities at all. Is 15 that your testimony? 16 A I do not remember. 17 Q Okay. Now, the increase to 70,000 doses 18 for oxycodone in January 2013, that was approved, 19 right? 20 MR. COLLINS: Object -- 21 BY MR. BOGLE: 22 Q You know that. 23 MR. COLLINS: Objection. Assumes facts 24 not in evidence.</p>

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1 THE WITNESS: I do not know that.  
2 BY MR. BOGLE:  
3 Q You don't know that?  
4 MR. COLLINS: Mischaracterization of his  
5 prior testimony.  
6 BY MR. BOGLE:  
7 Q You don't know that your distribution  
8 center started shipping them out 70,000 doses a  
9 month of oxycodone --  
10 MR. COLLINS: Objection.  
11 BY MR. BOGLE:  
12 Q -- starting in January 2013?  
13 MR. COLLINS: Objection. Assumes facts  
14 not in evidence. Lack of foundation.  
15 THE WITNESS: I testified that I did not  
16 remember this customer.  
17 BY MR. BOGLE:  
18 Q All right. Well, what we got produced  
19 to us in this case was the threshold history  
20 reports for all Summit and Cuyahoga pharmacies,  
21 and I'm going to hand you the one for Acme here.  
22 (Snider Exhibit No. 37 was marked  
23 for identification.)  
24 BY MR. BOGLE:

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1 Q It's Exhibit 37, also marked as 1.1907.  
2 And you see here in the middle of this  
3 chart -- do you see where I'm at, TCR 1/14/13. Do  
4 you see that date?  
5 A Yes.  
6 Q Related to oxycodone?  
7 A Yes --  
8 Q Okay.  
9 A -- I see the chart.  
10 Q You see that's the same date as the  
11 e-mail we just looked at from Joe Lahovich where  
12 he asks for an increase from thirty-five to  
13 70,000, right?  
14 A I can't testify what this is. I don't  
15 know Joe Lahovich, and I don't know what this  
16 chart is. I'm sorry.  
17 Q Okay. Well, let's -- let's take a look  
18 at the chart and see. I've got some questions for  
19 you on it.  
20 A Okay.  
21 Q In that same column, it says "TCR  
22 1/14/13, 35K to 70K. JL 1/14/13, Topco store,  
23 business growth new."  
24 Do you see that?

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1 A Yes, I do.  
2 Q Okay. So you weren't aware that once  
3 this threshold increase was approved to 70,000  
4 doses for oxycodone, that your distribution center  
5 started giving them about that much every month?  
6 MR. COLLINS: Objection. Assumes facts  
7 not in evidence, lack of foundation.  
8 This witness has testified he has no  
9 idea what this is, and you're testifying to facts  
10 that aren't -- haven't been established.  
11 BY MR. BOGLE:  
12 Q So you don't know when your distribution  
13 center sends out 70,000 doses a month to a  
14 customer for oxycodone? That can go on without  
15 you even knowing it?  
16 MR. COLLINS: Objection. Argumentative.  
17 Form.  
18 BY MR. BOGLE:  
19 Q I'm a little baffled by that, sir.  
20 MR. COLLINS: Objection. Compound,  
21 form, argumentative. Closing argument.  
22 THE WITNESS: Well, I --  
23 BY MR. BOGLE:  
24 Q Is that your testimony?

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1 A Yes, I can understand what you're  
2 saying, but I don't know anything about this, and  
3 it's -- plus I don't know if you have the right  
4 account. It says Topco.  
5 Q They're one of the -- in the Topco  
6 Group.  
7 A Okay.  
8 Q Sir, this was provided to us. I can  
9 tell you -- if it's wrong, I guarantee you your  
10 counsel will establish it's wrong. It ain't  
11 wrong. Okay?  
12 This is Acme Pharmacy. This was  
13 provided to us from your counsel coming from  
14 McKesson's files.  
15 A I'm --  
16 MR. COLLINS: Objection.  
17 BY MR. BOGLE:  
18 Q Okay. So my question to you, though,  
19 is -- because I just want to make sure I  
20 understand this.  
21 So a customer like Acme Pharmacy can get  
22 70,000 doses a month of oxycodone from your  
23 distribution center, and you don't even know it?  
24 MR. COLLINS: Objection.



<p style="text-align: right;">Page 382</p> <p>1 BY MR. BOGLE:</p> <p>2 Q Is that your testimony?</p> <p>3 MR. COLLINS: Objection. I'm sorry, let</p> <p>4 me finish my objection, sir.</p> <p>5 Objection. Assumes facts not in</p> <p>6 evidence. You haven't established that. This</p> <p>7 witness has testified over and over again he has</p> <p>8 no knowledge of that, and so this is just legal</p> <p>9 argument that's improper at a deposition.</p> <p>10 Typically lawyers ask questions, witnesses provide</p> <p>11 testimony. Not the other way around.</p> <p>12 MR. BOGLE: You're just kind of</p> <p>13 complaining now. You're not objecting.</p> <p>14 MR. COLLINS: No, no, I am objecting. I</p> <p>15 mean, this is just total argument. It's not a</p> <p>16 question.</p> <p>17 MR. BOGLE: No, it's not. It's not</p> <p>18 argument. It is a question.</p> <p>19 BY MR. BOGLE:</p> <p>20 Q Can that go on at your distribution</p> <p>21 center and you not know about it?</p> <p>22 MR. COLLINS: Objection for all the</p> <p>23 reasons I just stated.</p> <p>24 THE WITNESS: I don't remember this</p>	<p style="text-align: right;">Page 384</p> <p>1 to Acme Fresh Markets Pharmacy No. 30.</p> <p>2 Do you see that?</p> <p>3 A Yes.</p> <p>4 Q Okay. And in the "Detail" section</p> <p>5 there, the middle of that first paragraph, it</p> <p>6 says: "There is a pain management clinic, Summit</p> <p>7 Pain Specialists, located within Akron General</p> <p>8 Hospital medical building that the pharmacy is</p> <p>9 located in."</p> <p>10 Again, that's news to you today, right?</p> <p>11 A I testified I don't remember this</p> <p>12 account. I'm sorry.</p> <p>13 Q Okay. Let's continue a few more</p> <p>14 sentences down. It says: "The majority of the</p> <p>15 prescriptions that are filled at the pharmacy are</p> <p>16 being written at Summit Pain Specialists. For the</p> <p>17 period of 7/1/14 to 10/28/14, 89 percent of the</p> <p>18 scripts filled by Acme 30 were from the pain</p> <p>19 clinic."</p> <p>20 Do you see that?</p> <p>21 MR. COLLINS: Objection. Foundation.</p> <p>22 THE WITNESS: I see this -- this e-mail.</p> <p>23 I've never seen this before.</p> <p>24 BY MR. BOGLE:</p>
<p style="text-align: right;">Page 383</p> <p>1 account.</p> <p>2 BY MR. BOGLE:</p> <p>3 Q Right. So it obviously can go on and</p> <p>4 you not know about it, right?</p> <p>5 MR. COLLINS: Objection.</p> <p>6 Mischaracterization, argumentative, form.</p> <p>7 BY MR. BOGLE:</p> <p>8 Q Right?</p> <p>9 A Can you repeat the question, please?</p> <p>10 Q A customer like Acme Pharmacy can get</p> <p>11 70,000 doses a month of oxycodone from your</p> <p>12 distribution center and you not even know it,</p> <p>13 right?</p> <p>14 A I don't remember that.</p> <p>15 Q Right, that's my point.</p> <p>16 A I don't know what this form is, and I</p> <p>17 wasn't on the e-mails. I testified to that.</p> <p>18 (Snider Exhibit No. 38 was marked</p> <p>19 for identification.)</p> <p>20 BY MR. BOGLE:</p> <p>21 Q All right. Let's take a look at</p> <p>22 Exhibit 38, 1.1899.</p> <p>23 You see here this is a regulatory</p> <p>24 investigative report from March 2nd, 2015, related</p>	<p style="text-align: right;">Page 385</p> <p>1 Q This is a report created by Michael</p> <p>2 Oriente. That's what is indicated, right?</p> <p>3 MR. COLLINS: Objection. Lack of</p> <p>4 foundation, lack of firsthand knowledge.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Where it says "By"?</p> <p>7 A It says "By" --</p> <p>8 MR. COLLINS: Objection. Form,</p> <p>9 foundation.</p> <p>10 BY MR. BOGLE:</p> <p>11 Q And, you know, there were some questions</p> <p>12 raised about whether you guys actually did provide</p> <p>13 anything approaching 70,000 doses of oxycodone a</p> <p>14 month to this Acme Pharmacy, so let's take a look</p> <p>15 at that.</p> <p>16 On page .3, there is a purchase history</p> <p>17 review. So for -- if you see there, for</p> <p>18 oxycodone, it provides the number of doses that</p> <p>19 were provided to Acme Pharmacy over a period</p> <p>20 covering January 2014 to January 2015, right?</p> <p>21 MR. COLLINS: Objection. Lack of</p> <p>22 foundation, lack of firsthand knowledge.</p> <p>23 THE WITNESS: I do not know this chart.</p> <p>24 I see the dates and I see the doses, but I've</p>

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1 never seen this before.  
 2 BY MR. BOGLE:  
 3 Q So for June 2014, they got 69,504 doses.  
 4 July 2014, 70,000 doses. August 2014, 69,900  
 5 doses. September 2014, 69,900 doses. October  
 6 2014, 67,300 doses. And November 2014, 67,600  
 7 doses of oxycodone right here. That's what it  
 8 says, right?  
 9 MR. COLLINS: Objection. Form,  
 10 foundation, lack of firsthand knowledge.  
 11 THE WITNESS: I cannot and won't testify  
 12 that that's what it says. I don't know.  
 13 BY MR. BOGLE:  
 14 Q You won't? You can't? You can't read  
 15 that?  
 16 A I can read that, you know that. I can't  
 17 testify that I understand that's what it is.  
 18 Q Okay. So you don't --  
 19 A I've never seen this before, this  
 20 document.  
 21 Q Okay. So, again, your -- your  
 22 distribution center services this area of Ohio,  
 23 right?  
 24 A Yes.

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1 Q Okay. And so 70,000 doses of oxycodone  
 2 can go out for multiple months or near it in 2014,  
 3 and you don't even know, right?  
 4 MR. COLLINS: First of all, totally  
 5 incorrect. Mischaracterization of his prior  
 6 testimony.  
 7 MR. BOGLE: Well, if he knows, he can  
 8 certainly correct me.  
 9 MR. COLLINS: I'm sorry. Let me finish  
 10 my objection. Lack of foundation. Lack of  
 11 firsthand knowledge. Mischaracterization. Object  
 12 to the form. Otherwise, it's a fine question.  
 13 THE WITNESS: I don't know this account.  
 14 I'm sorry. It was handled by the national  
 15 accounts and the director of Regulatory Affairs,  
 16 and they vetted it out.  
 17 BY MR. BOGLE:  
 18 Q So if national accounts handles it, but  
 19 you distribute it at your facility, you're hands  
 20 off; is that right?  
 21 A No.  
 22 Q Okay. It's still your pills coming out  
 23 of your facility, right?  
 24 A I protect the supply chain. I do my job

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1 on that, and it's very important to me that I do  
 2 that. This was vetted out by someone else, and a  
 3 director of Regulatory Affairs and his boss also,  
 4 I see.  
 5 Q Are you aware that both Summit Pain  
 6 Specialists and Acme No. 30 are both closed now?  
 7 A I'm not aware of that.  
 8 Q Not aware of that?  
 9 I hand you what I'm marking Exhibit 39,  
 10 Exhibit 1.1895.  
 11 (Snider Exhibit No. 39 was marked  
 12 for identification.)  
 13 BY MR. BOGLE:  
 14 Q This is an article from the Akron Beacon  
 15 Journal/Ohio.com titled "Stow Pain Clinic closing  
 16 after court upholds sexual imposition conviction  
 17 against doctor accused of abusing patients,"  
 18 posted August 11, 2016. Do you see that?  
 19 A I see that, yes.  
 20 Q Okay. The first sentence says: "Summit  
 21 Pain Specialists in Stow is permanently closed  
 22 Monday after years of wrangling over a sex abuse  
 23 scandal involving a doctor there."  
 24 Do you see that?

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1 A I see that, yes.  
 2 Q The third paragraph there says: "But  
 3 the Ohio Supreme Court on August 3 upheld the  
 4 Summit County Common Pleas Court conviction a  
 5 former doctor James Bressi, who once co-owned the  
 6 business with former doctor Robert Stephen  
 7 Geiger."  
 8 Do you see that?  
 9 A No. Can you tell me where you are?  
 10 I -- I was under what prompted the clinic to  
 11 close.  
 12 Q Right here, sir, if you look at my  
 13 finger.  
 14 A I'm sorry. You skipped around. I  
 15 didn't see that.  
 16 Q You want me to reread that for you?  
 17 A Please.  
 18 Q So you can follow along.  
 19 A Please.  
 20 Q That's fair.  
 21 The portion I read says: "But the Ohio  
 22 Supreme Court on August 3 upheld the Summit County  
 23 Common Please Court conviction of former  
 24 doctor James Bressi, who once co-owned the

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1 business with former doctor Robert Stephen Geiger.  
2 The clinic's troubles started in 2012 when  
3 patients began calling Stow police reporting they  
4 had been sexually abused by Bressi inside the pain  
5 clinic. Stow police ultimately took reports from  
6 about 95 patients, including some in their 70s,  
7 who made similar claims according to a detective's  
8 court testimony."  
9 Do you see that?  
10 A I see that, yes.  
11 Q And Dr. James Bressi, that's the same  
12 doctor that had reached out to McKesson to begin  
13 with about their assistance in opening the  
14 pharmacy that ultimately became Acme Pharmacy,  
15 right?  
16 MR. COLLINS: Objection to form, lack --  
17 BY MR. BOGLE:  
18 Q Do you remember his name?  
19 A No.  
20 MR. COLLINS: Objection to the form,  
21 lack of foundation.  
22 THE WITNESS: I don't.  
23 BY MR. BOGLE:  
24 Q You don't?

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1 A No.  
2 Q Okay. Do you have any reason to dispute  
3 that pretty quickly after Summit Pain Specialists  
4 closed so did Acme 30?  
5 MR. COLLINS: Objection. Foundation,  
6 form.  
7 THE WITNESS: I do not know or remember  
8 any of that. I'm sorry.  
9 BY MR. BOGLE:  
10 Q Okay. Well, let's just close the loop  
11 here.  
12 (Snider Exhibit No. 40 was marked  
13 for identification.)  
14 BY MR. BOGLE:  
15 Q Exhibit 40, 1.1911. I pulled this off  
16 of Google before I came, pertaining to Acme  
17 Pharmacy in Stow, Ohio. Same address as we just  
18 saw in the investigative report.  
19 Do you see it's noted to be permanently  
20 closed?  
21 MR. COLLINS: Objection. Foundation.  
22 THE WITNESS: If you say -- I don't see  
23 where it says that. Please point to it.  
24 Permanently closed, yes.

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1 BY MR. BOGLE:  
2 Q Okay. But again, this is not a customer  
3 you ever even recall dealing with at all, right?  
4 A I don't think I was in New Castle at the  
5 time. I was in Delran, New Jersey.  
6 Q You weren't in New Castle at all from  
7 when you -- this account started getting serviced  
8 in 2012 to 2016 when that -- it closed?  
9 A I was there in 2012, yes.  
10 Q Okay. For what period of time were you  
11 not at New Castle then?  
12 A '14 and '15 or '15, '16. I don't  
13 remember.  
14 Q Who was running New Castle while you  
15 were gone?  
16 A Andrew Moore, the VP/GM.  
17 Q Andrew Moore?  
18 A Yes.  
19 Q Okay. Did you have any communications  
20 concerning New Castle during that time period that  
21 you were in Delran?  
22 A Not too many.  
23 Q Okay. There are many Giant Eagle  
24 Pharmacies that -- in Summit and Cuyahoga County

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1 that New Castle supplies opioids to, correct?  
2 A Supplied. We don't have them any  
3 longer.  
4 Q Okay. When did you stop?  
5 A About a year ago -- less than a year  
6 ago.  
7 Q Okay. Do you know why you stopped  
8 providing to them out of New Castle?  
9 A They got another wholesaler.  
10 Q Okay. Who?  
11 A Cardinal.  
12 Q Okay. All right. So prior to losing  
13 that business, you said about a year ago, that was  
14 one of the larger customers you had in Summit and  
15 Cuyahoga counties, right?  
16 A Yes.  
17 MR. COLLINS: Are we done with these?  
18 MR. BOGLE: Yeah.  
19 BY MR. BOGLE:  
20 Q We talked about earlier in the  
21 deposition that documentation is required to  
22 establish claims of business growth when you're  
23 reviewing a threshold increase, right?  
24 A Yes, we did.

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1 Q As a general principle, that's what's  
2 required, right?  
3 A We talked about that, yes.  
4 Q That wasn't historically done for Giant  
5 Eagle Pharmacies at Summit and Cuyahoga County,  
6 though, was it?  
7 A I don't know that. I know that was  
8 handled by national accounts, and it depends on  
9 the time period. But national accounts and DRAs  
10 handled Giant Eagle.  
11 Q Okay. So if -- if the drugs were coming  
12 out of your distribution center, and you believe  
13 that anyone handling national accounts wasn't  
14 complying with the Controlled Substances  
15 Monitoring Program, you think you had an  
16 obligation to say something about that?  
17 MR. COLLINS: Objection. Calls for a  
18 legal conclusion.  
19 THE WITNESS: If I knew wrongdoing was  
20 happening, I would report it to McKesson or my  
21 boss.  
22 BY MR. BOGLE:  
23 Q All right.  
24 (Snider Exhibit No. 41 was marked

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1 for identification.)  
2 BY MR. BOGLE:  
3 Q We're going to look at a few of the  
4 Giant Eagle stores in Summit and Cuyahoga County  
5 here. I hand you 1.1840, Exhibit 41.  
6 A Thank you.  
7 Q So it's another one of the hard copy  
8 file productions. You see it's "Giant Eagle 4009"  
9 on the front page, right?  
10 A Yes.  
11 Q Okay. And let's take a look at the  
12 e-mail starting on page .4.  
13 The bottom e-mail there is an e-mail  
14 from Dave Gustin, May 28, 2008, to several  
15 individuals, including you.  
16 Do you see that?  
17 A Yes.  
18 Q Regarding New Castle CSMP Report, 75  
19 percent plus, 5/28/08.  
20 And Mr. Gustin there says: "Rex, I  
21 await your input. I can bump it if you agree to a  
22 small bump."  
23 Do you see that there?  
24 A Yes.

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1 Q Do you understand he's agreeing to --  
2 he's talking about bumping up thresholds, right?  
3 MR. COLLINS: Objection. Form.  
4 Speculation.  
5 THE WITNESS: I don't know that, but I  
6 could guess.  
7 BY MR. BOGLE:  
8 Q Okay. No, we can keep going. I think  
9 it establishes it going forward.  
10 First of all -- well, hold on. I'll  
11 strike that.  
12 The next e-mail is a response from Rex  
13 Catton, May 28, 2008, where he says: "Yes, please  
14 bump it up."  
15 What was Rex Catton's job in May 2008 at  
16 McKesson?  
17 A He was vice president of national  
18 accounts.  
19 Q Okay. On the sales side or regulatory  
20 side?  
21 A Sales side.  
22 Q Okay. Then Dave Gustin responds to that  
23 e-mail and says: "The list, by the way, is a long  
24 one. I need a reason to go in and bump all

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1 these -- all those stores' thresholds. They are  
2 all purchasing at well past their historic trends  
3 or they would not be on the report."  
4 Do you know what report is being  
5 referenced here? The CSMP report?  
6 A I don't know the specific one.  
7 Q Okay. And it's embedded there in the  
8 title "Threshold" -- "CSMP Threshold Warning  
9 Report." Are you familiar with that report?  
10 A Yes, I am.  
11 Q What is that report?  
12 A I think it -- it prints out -- I believe  
13 we discussed that, but it depends on -- when was  
14 this, please? 2008?  
15 Q Right.  
16 A It would print out -- I think it was  
17 when it was 85 percent or over the threshold.  
18 That's what I recall.  
19 Q Okay. All right. And if we keep going  
20 in the e-mail chain. I'm now on page .3.  
21 It's an e-mail from Diane Martin,  
22 September 22nd, 2008, to Dave Gustin, copying you  
23 and Rex Catton. It says: "Since these were  
24 bumped up without a TCR in late May, what is the

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1 reason for the increase in dosages?"

2 Dave Gustin responds: "Reason: RNA

3 reasonable request for a small increase per Rex

4 Catton."

5 Do you see that?

6 A Yes.

7 Q Okay. Now, I think we talked about this

8 before, but when a threshold increase is

9 requested, a form has to be completed prior to

10 that increase being approved, right?

11 A Yes.

12 Q Okay. But you see here in September,

13 Diane Martin is talking about increases that were

14 made in May without a TCR. And she's talking

15 about that in September, right?

16 MR. COLLINS: Objection. Lack of

17 foundation.

18 THE WITNESS: She doesn't see there's a

19 TCR, yes.

20 BY MR. BOGLE:

21 Q Okay. Well, let's take a look then at

22 page .2. And this is the threshold change form

23 that's being referenced here for Giant Eagle 4009,

24 hydrocodone. Now, it's dated May 28, 2008. Do

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1 you see that?

2 A Yes.

3 Q And the reason for the change is noted

4 "RNA reasonable request for a small increase per

5 Rex Catton."

6 Do you see that?

7 A Yes.

8 Q But that specific information, that

9 language specifically wasn't provided until

10 September 22nd by Dave Gustin, was it?

11 MR. COLLINS: Objection.

12 Mischaracterization of the document, assumes facts

13 not in evidence.

14 THE WITNESS: I don't know when that was

15 done. I assume 5/28/08. It also doesn't include

16 the increase amount, which is unusual.

17 BY MR. BOGLE:

18 Q Right, I was going to get to that next.

19 But if you look back at the e-mail from

20 Dave Gustin, September 22nd, 2008, the very same

21 language we just read from the form, identical, is

22 what appears on the May 28, 2008 change form,

23 right?

24 MR. COLLINS: Objection.

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1 Mischaracterization.

2 THE WITNESS: Yes. And I don't know

3 what -- retail national accounts, yes.

4 BY MR. BOGLE:

5 Q Yeah. And that seems consistent with

6 what Diane Martin says in September 22nd, which is

7 that this TCR was approved in May without a form,

8 right?

9 A Yes.

10 Q And this information was added in

11 September.

12 MR. COLLINS: Objection. That's a total

13 mischaracterization, assumes facts not in

14 evidence.

15 BY MR. BOGLE:

16 Q How do you explain the very same

17 language, word for word, that first appears in a

18 September e-mail being put in there in May?

19 MR. COLLINS: Object --

20 BY MR. BOGLE:

21 Q How did he get that right?

22 MR. COLLINS: Objecting to the form,

23 compound, assumes facts not in evidence.

24 THE WITNESS: I can't explain why that

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1 was in there exactly as they repeated it, but it

2 may have been something they did before.

3 BY MR. BOGLE:

4 Q Okay. So you think that Diane was

5 mistaken when she said that this request was

6 actually approved in May without a TCR, right?

7 A Yeah. I don't know if she didn't find

8 one or she was doing an audit of them or what.

9 Q And as you noted, the form that is

10 attached here doesn't include even an increased

11 amount, does it?

12 A No.

13 Q But it is noted to be approved by you,

14 right?

15 A Yes.

16 Q And Dave Gustin.

17 A Yes.

18 Q And the pharmacy at issue here is Giant

19 Eagle 4009, which is in Parma, Ohio, and you

20 understand that's in Cuyahoga County?

21 A Yes.

22 Q Have you ever been to that pharmacy to

23 visit there?

24 A No, I don't think so.



<p style="text-align: right;">Page 402</p> <p>1 Q Are you aware that there were actually 2 multiple Giant Eagles approved at this very same 3 time for threshold increases for various opioid 4 products that include the same exact language on 5 the same exact date? Are you aware of that? 6 A No, I'm not. 7 Q Okay. 8 (Snider Exhibit No. 42 was marked 9 for identification.) 10 BY MR. BOGLE: 11 Q 1.1827, which is Exhibit 42. 12 We put together a compilation of these. 13 We're just going to look at a couple of them. 14 MR. COLLINS: Do you have another copy 15 or no? 16 MR. BOGLE: Yeah, I think I actually do. 17 MR. COLLINS: Thank you. 42? 18 MR. BOGLE: Yeah. 19 BY MR. BOGLE: 20 Q So I don't want to reread all of the 21 e-mails, but you see the e-mails on page .15 and 22 .16, that's the same e-mail chain we just 23 reviewed. 24 A It looks like the same one, yes.</p>	<p style="text-align: right;">Page 404</p> <p>1 back to the same e-mail chain from September where 2 Diane Martin is telling everyone that threshold 3 change request forms weren't actually completed in 4 May, right? 5 MR. COLLINS: Objection. 6 Mischaracterization, assumes facts not in 7 evidence. 8 THE WITNESS: I can't testify that they 9 all did. You have included this, but I don't have 10 the list. 11 BY MR. BOGLE: 12 Q And they all include for the reason for 13 the change the same exact language that was first 14 introduced in the e-mail chain on September 22nd, 15 2008, correct? 16 MR. COLLINS: Objection. Foundation, 17 form. 18 THE WITNESS: They include that, but 19 like I say, I don't know if it wasn't included on 20 5/28. 21 BY MR. BOGLE: 22 Q You're supposed to list the actual 23 increased amount on the threshold -- 24 A Yes.</p>
<p style="text-align: right;">Page 403</p> <p>1 Q Right. Okay. 2 And then if you see what follow -- or 3 what's before that in this packet, there are -- 4 one, two, three -- four hydrocodone threshold 5 increases from the same date with the same 6 description as for the reason for the change, all 7 without increased amounts. 8 Do you see those forms? 9 A Let me -- can I check -- 10 Q Yeah, yeah. I don't want you to take my 11 word for it. 12 A Yes. I don't know the amounts, though. 13 It's not complete. 14 Q Right. None of them include amounts, do 15 they? 16 A No, they don't. 17 Q But all of them show as approved by both 18 you and Dave Gustin, don't they? 19 A They show me submitting it to Dave 20 Gustin, yes, national account. 21 Q And his name appears there too under 22 "Approved by," right? 23 A Yes. 24 Q Okay. All dated May 28, '08, and all go</p>	<p style="text-align: right;">Page 405</p> <p>1 Q -- change request form, right? 2 A Yes. 3 Q Okay. And reasonable request for a 4 small increase, is that documented proof of a 5 legitimate business reason? 6 A I don't think that's a good enough 7 reason. I don't know what the DRA vetted out on 8 that. 9 Q Oh, I'm sorry. One more thing on that 10 compilation I just gave you, and you can take 11 whatever time you need to look at this. 12 But all the pharmacies listed here, 13 we'll get there one by one, page .2, Middleburg 14 Heights, that's in Cuyahoga County, right? 15 MR. COLLINS: Give him a second. 16 MR. BOGLE: Sure. 17 THE WITNESS: Yeah, I believe that's 18 south of Cleveland. 19 BY MR. BOGLE: 20 Q Okay. Page .6, Garfield Heights, that's 21 Cuyahoga County, right? 22 A Yes. 23 Q Page .10, Cuyahoga Falls, Cuyahoga 24 County as well, right?</p>

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1 A No.  
2 Q No?  
3 A That's Summit County.  
4 Q Summit, you're right. You're right.  
5 Fair clarification. Thank you. Summit County.  
6 .14, this pharmacy is in Cleveland,  
7 Ohio, right?  
8 A Yes, at Lorraine Road.  
9 Q Okay. All right. We're done with that.  
10 MR. COLLINS: When would be a good time  
11 to take a break?  
12 MR. BOGLE: It's fine now. Yeah, if he  
13 needs it, that's fine.  
14 THE VIDEOGRAPHER: The time is 3:56 p.m.  
15 We're going off the record.  
16 (Recess.)  
17 THE VIDEOGRAPHER: The time is 4:08 p.m.  
18 We're back on the record.  
19 BY MR. BOGLE:  
20 Q Okay, Mr. Snider, we had stopped --  
21 broken after talking about some of the Giant Eagle  
22 Pharmacies, and I want to talk about a couple more  
23 of those from Summit and Cuyahoga County.  
24 (Snider Exhibit No. 43 was marked

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1 for identification.)  
2 BY MR. BOGLE:  
3 Q I'm going to hand you what's marked as  
4 1.1811, Exhibit 43.  
5 Okay. This is a file pertaining to  
6 Giant Eagle 0357. Do you see that?  
7 A Yes.  
8 Q Okay. All right. If you can go to  
9 page 2, do you see there's a threshold change  
10 form for Giant Eagle 0357 from Parma, Ohio? Do  
11 you see that?  
12 A Yes.  
13 Q That's in Cuyahoga County, right?  
14 A Yes.  
15 Q Okay. Requested on July 17, 2008. Do  
16 you see that date?  
17 A Yes.  
18 Q And the request is for a 20 percent  
19 increase of the hydrocodone thresholds for that  
20 pharmacy, right?  
21 A Yes.  
22 Q Okay. Now, the current threshold is not  
23 actually noted here at all, is it?  
24 A No.

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1 Q Okay. And the reason for change that is  
2 noted, it says: "This store volume is up over 55  
3 percent with additional scripts for hydrocodone."  
4 Do you see that?  
5 A Yes.  
6 Q Okay. And this was noted -- under  
7 "Approved by," there's your signature, dated  
8 7/18/08, right?  
9 A Yes.  
10 Q Okay. In this file for this Giant Eagle  
11 Pharmacy, I did not see any prescription data  
12 associated with this or any other threshold change  
13 for this store in this packet. I mean, feel free  
14 to look. Do you see any -- any data, purchase  
15 data that's designated?  
16 A Let me check. (Peruses document.)  
17 No, I don't see it in this packet.  
18 Q Okay. And if you go to .5, which is  
19 another threshold change form for the same store,  
20 dated October 2nd, 2008, do you see that?  
21 A October 7th, was it? Oh, I see that  
22 it's 2. Yeah, okay.  
23 Q Yeah. Your signature is the 7th, we'll  
24 get there, but the form is dated October 2nd,

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1 right?  
2 A Yes.  
3 Q Okay. And so this is some, less than,  
4 three months after the prior request for a  
5 hydrocodone increase was requested and approved,  
6 right?  
7 A I believe so, yes.  
8 Q Right. Let me --  
9 A I actually remember that, yeah.  
10 Q So this again is for hydrocodone  
11 requesting a 10 percent increase for this store,  
12 right?  
13 A In Parma, yes.  
14 Q Right. And again, there's no current  
15 threshold listed here either, is there?  
16 A No.  
17 Q Okay. It is noted to be a permanent  
18 change request, right? I'm right here if it  
19 helps.  
20 A Yeah, thank you. Yes.  
21 Q Okay. And the reason for change noted  
22 there is "Per Donald M. -- I don't know if it's  
23 Casar or Sasar (phonetic), I'm not sure how you  
24 say that, but "RPH manager, quality assurance and

<p style="text-align: right;">Page 410</p> <p>1 compliance." "Please increase due to the business  2 has increased substantially over the last few  3 months."  4 Do you see that?  5 A Yes.  6 Q Okay.  7 A It's their security manager.  8 Q All right. And so, again, for this  9 request, there's no dispensing data in this  10 packet, right?  11 MR. COLLINS: Objection.  12 Mischaracterization.  13 THE WITNESS: I wouldn't see that.  14 BY MR. BOGLE:  15 Q Okay. Do you see that in this packet?  16 A No. No.  17 Q Okay. And -- well, let me ask you this:  18 For Giant Eagle specifically, and during this time  19 period, 2008 time period, for a larger pharmacy  20 like that, would you not require them to produce  21 dispensing data to support their request?  22 A I would not.  23 Q You would not? Okay.  24 A No, the director of Regulatory Affairs</p>	<p style="text-align: right;">Page 412</p> <p>1 there's an e-mail from Sabrina Cook to Gregory  2 Carlson, October 22nd, 2008.  3 Do you see that?  4 A Yes.  5 Q She notes: "Below are stores that are  6 at least 80 percent or above their thresholds.  7 Please review and let me know if there is a  8 business reason for an increase."  9 Do you see that statement?  10 A Yes.  11 Q Okay. And this e-mail does include  12 various thresholds for Giant Eagle Pharmacies for  13 controlled substances including opioids, right?  14 A I don't know what that is. It --  15 Q Do you see where it lists monthly  16 thresholds and has numbers below?  17 A Yes. And then it's blank where it says  18 "Threshold percent." Month-to-date accumulator, I  19 don't really know what that is.  20 Q Yeah, I'm just asking if the monthly  21 threshold amounts were provided in this e-mail to  22 Gregory Carlson at Giant Eagle.  23 MR. COLLINS: Objection. Foundation.  24 THE WITNESS: It says Sabrina -- it</p>
<p style="text-align: right;">Page 411</p> <p>1 would.  2 Q Okay. A fair clarification.  3 Do you know if it was policy within the  4 company to request dispensing data for larger  5 pharmacies like Giant Eagle when they made  6 requests like this?  7 A I'm not sure what year, but I know at  8 one point on the CSMP, they did ask for data.  9 Previously, on Lifestyle, I think we asked for  10 three months sales.  11 Q Right. So either way you're asking for  12 some sort of data to support this kind of change,  13 right?  14 A The DRA is, yes.  15 Q All right.  16 (Snider Exhibit No. 44 was marked  17 for identification.)  18 BY MR. BOGLE:  19 Q I'm going to hand you what's marked as  20 1.1866, Exhibit 44 to your deposition.  21 Okay. This is a series of e-mails with  22 some threshold change forms attached to them. So  23 let's start by looking at the e-mails.  24 On the bottom of the first page there,</p>	<p style="text-align: right;">Page 413</p> <p>1 says: "Below are other stores that are -- that  2 are at least 80 percent or above." I don't know  3 if Greg asked for it or not.  4 BY MR. BOGLE:  5 Q Yeah, let me rephrase. I wasn't asking  6 if he asked for it.  7 I'm saying Sabrina Cook, that's what  8 she's giving him are the monthly thresholds for  9 these stores for opioid products and other  10 controlled substances. Correct?  11 A She's giving him these list of stores  12 that are at least 80 percent or above.  13 Q Right. And the monthly threshold is  14 provided for each in the chart, right?  15 A I would guess. I'm not sure what that  16 is.  17 Q Okay. We see where it says "Monthly  18 threshold" and there's numbers below it, right?  19 A Yes.  20 Q Okay. There's a response from Gregory  21 Carlson, October 22nd, 2008, saying: "We need to  22 bump stores 4078, 6537, 2108, 4075, 6523, and 6513  23 up by 20 percent due to high volume growth. These  24 are all either new stores or stores running</p>

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1 promotions causing increased volume."  
 2 Do you see that?  
 3 A Yes.  
 4 Q And then the very top e-mail is an  
 5 e-mail from Bill de Gutierrez-Mahoney saying:  
 6 "Done. Jim, Blaine, please file for your  
 7 records."  
 8 Do you see that?  
 9 A Yes.  
 10 Q And Bill Mahoney was another DRA, right?  
 11 A Yes.  
 12 Q And if you look, the -- look at a couple  
 13 of these, there's actually the threshold change  
 14 forms attached to the e-mails here, they're being  
 15 discussed.  
 16 So, for example, on page .3, on that  
 17 same day, October 22, 2008, where the request is  
 18 made by Giant Eagle, you see a 20 percent increase  
 19 amount request for 9193, which is hydrocodone,  
 20 right?  
 21 A Yes.  
 22 Q Okay. And this is from Groveport, Ohio.  
 23 Do you know where that's at?  
 24 A I think it's by the river.

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1 Q Okay. In which county, do you know?  
 2 A No, I don't.  
 3 Q You don't know. Okay.  
 4 You see here the reason for change is  
 5 basically just copied from the e-mail that Gregory  
 6 Carlson sent. It says: "Per Gregory Carlson,  
 7 Director of Pharmacy Sourcing," and it gives his  
 8 number, "Please increase due to running promotions  
 9 causing increased volume." Right?  
 10 MR. COLLINS: Objection. Form.  
 11 BY MR. BOGLE:  
 12 Q Is that what it states?  
 13 A Can you restate that, please?  
 14 Q Yeah.  
 15 So the reason for change noted in this  
 16 form is, "Per Gregory Carlson, Director of  
 17 Pharmacy Sourcing: Please increase due to running  
 18 promotions causing increased volume?"  
 19 That's the reason stated on the actual  
 20 form. Right?  
 21 A Yes.  
 22 Q Okay. And again, in this packet of  
 23 threshold change forms, there's no dispensing data  
 24 attached, is there?

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1 MR. COLLINS: Objection. Form.  
 2 THE WITNESS: And I -- what year is  
 3 this, please?  
 4 BY MR. BOGLE:  
 5 Q 2008.  
 6 A I don't know if we asked for that in  
 7 2008. That was Lifestyle.  
 8 Q October 2008, you think was Lifestyle?  
 9 A It may have been. I don't remember.  
 10 Q Okay. So if it was under the Lifestyle  
 11 Drug Monitoring Program, you wouldn't have asked  
 12 for dispensing data at all. Is that's what you're  
 13 saying?  
 14 A I wouldn't have asked for national  
 15 account dispensing data at any time. That was  
 16 handled by the director of Regulatory Affairs and  
 17 Bill de Gutierrez-Mahoney. But he says he  
 18 attaches them, but I'm not sure if this was what  
 19 was attached. If it was, it wasn't completed.  
 20 Q Okay. So -- yeah, and again, I'm just  
 21 giving you what was produced to us. This -- this  
 22 e-mail and attachments to the e-mail, these  
 23 threshold change forms, you would agree with me  
 24 there is no dispensing data included in here for

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1 any of these stores, right?  
 2 A I don't normally get that ever.  
 3 Q I'm not asking if you get it. I'm  
 4 asking, is it attached to this e-mail chain?  
 5 A No.  
 6 Q Do you see it?  
 7 A I don't see it here.  
 8 Q Okay. All right. And -- strike that.  
 9 Do you see there are multiple other --  
 10 actually, we'll go through a couple more.  
 11 There is one on .5 asking for a 20  
 12 percent increase for a Giant Eagle in Berea, Ohio.  
 13 Do you see that?  
 14 A Berea.  
 15 Q Berea. Okay. What county is that in?  
 16 A That's Cuyahoga.  
 17 Q And that's for a 20 percent increase for  
 18 hydrocodone, right?  
 19 A Yes. That has a lot of population area.  
 20 Q Okay. And again, the same reason for  
 21 change is provided there as was in the last  
 22 threshold change form, right?  
 23 A Yes.  
 24 Q Okay. Is there any indication here of

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1 Giant Eagle providing you, McKesson, with the  
2 actual promotion they were even running that was  
3 causing this increased volume?  
4 A I wouldn't know that.  
5 Q Right. I'm asking, is it -- do you see  
6 that anywhere in the packet of information or the  
7 e-mails?  
8 A You haven't included it in this packet.  
9 I don't see anything.  
10 Q I haven't -- I have included what was  
11 given to us.  
12 A Okay.  
13 Q Okay. So --  
14 A Then -- then you or us haven't included  
15 that.  
16 Q Do you have any independent recollection  
17 that that information was even provided for these  
18 change requests?  
19 A No, I don't. I don't.  
20 Q Okay. I'm going to hand you what I'm  
21 marking as 1.1777, also Exhibit 45 to your  
22 deposition.  
23 (Snider Exhibit No. 45 was marked  
24 for identification.)

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1 BY MR. BOGLE:  
2 Q Do you see this file pertains to Giant  
3 Eagle 0465? Do you see on the first page?  
4 A Yes.  
5 Q Okay. And if you look, there's some  
6 threshold change requests attached here.  
7 First of all, if you can go to page .10.  
8 Do you see this is a threshold change request made  
9 May 28, 2008, for a Giant Eagle in Brook Park,  
10 Ohio?  
11 A Yes.  
12 Q Okay. And that's in Cuyahoga County,  
13 right?  
14 A Yes.  
15 Q Okay. And this is another one of those  
16 stores that in May 2008 had their thresholds  
17 increased for hydrocodone, the reason being  
18 "Reasonable request for a small increase," per Rex  
19 Catton. Do you see that?  
20 A Yes. I think that's the same date.  
21 Q Yeah, it is.  
22 All right. Let's go a couple of months  
23 later for the same pharmacy. I'm on page .2.  
24 This is a threshold change form for hydrocodone

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1 from July 31, '08, right?  
2 A What was the other one? I'm sorry, I  
3 forgot.  
4 Q May 28, '08.  
5 A Thank you.  
6 Q This is July 31 on this one, '08, right?  
7 A Yes.  
8 Q Okay. Again, requesting an increase for  
9 hydrocodone, this time by 5 percent, right?  
10 A Yes.  
11 Q And the noted reason for change is:  
12 "Threshold adjustment is being requested due to  
13 high growth rate. Please increase by 5 percent."  
14 Do you see that reference?  
15 A Yes, I do.  
16 Q Okay. And this was noted -- signed by  
17 you, August 1, 2008, right?  
18 A It was, yes.  
19 Q So in the packet of information for this  
20 pharmacy, do you see any dispensing data that  
21 would support this request?  
22 A I never see that. It's a national  
23 account. They do the vetting.  
24 Q I'm asking whether you see it in this

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1 packet.  
2 A I -- no.  
3 Q Okay. So let's fast-forward to the same  
4 pharmacy to October 2nd, 2008, page .13.  
5 Are you there?  
6 A Yes.  
7 Q Okay. This is a threshold change  
8 request dated October 2nd, 2008, for the same  
9 Giant Eagle Pharmacy, right?  
10 A Yes.  
11 Q Also for hydrocodone, this time to  
12 increase by 35 percent, right?  
13 A Yes.  
14 Q Okay. And the reason for the change is  
15 noted per Gregory Carlson, Director of Pharmacy  
16 Sourcing: "Please increase due to volume growth."  
17 Right?  
18 A Yes.  
19 Q And this was sent -- signed and sent by  
20 you, October 7, 2008, correct?  
21 A Yes, but sent -- I -- I don't know if I  
22 sent this to Regulatory or they sent it to me.  
23 I'm not sure which.  
24 Q Okay. Fair enough.



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1 Again, no dispensing data attached to  
2 support the volume growth?  
3 A I -- I would not and do not see that.  
4 Q Okay. Let's go to page .18.  
5 So this is a couple of weeks later,  
6 October 23rd, 2008. There's an e-mail from  
7 Sabrina Cook at the bottom of this page to Gregory  
8 Carlson saying: "Below are stores that are above  
9 80 percent of their thresholds. The thresholds  
10 will be reset in six business days. Let me know  
11 if there is a business reason for the increase --  
12 for an increase."  
13 Gregory Carlson responds the same day  
14 saying: "Go ahead and bump 482, 1475 and 465 due  
15 to increased volume. I would say 20 percent for  
16 each."  
17 Do you see those references?  
18 A I do.  
19 Q Okay. And if you go to page .16, you  
20 see there there's the threshold change request for  
21 this store that corresponds to that e-mail  
22 requesting a 20 percent increase for hydrocodone,  
23 right?  
24 MR. COLLINS: Objection. Foundation.

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1 THE WITNESS: Yes, it's the one that  
2 says per Greg Carlson with his phone number.  
3 BY MR. BOGLE:  
4 Q Right. And this relates to the e-mail  
5 we just looked at, October 23, 2008, where he  
6 makes the request for multiple stores, including  
7 465, to get a 20 percent increase for hydrocodone,  
8 right?  
9 A I would guess that, yes.  
10 Q That's the next day, right?  
11 A Well, I would -- your answer is I would  
12 guess that.  
13 Q Okay. And it's the same reason for  
14 change provided that he provides in the e-mail,  
15 volume growth, right?  
16 A I'm sorry. Per -- per Gregory Carlson:  
17 "Please increase due to volume growth." Yeah, it  
18 has the phone number and everything on it too. I  
19 don't know why that's different, but...  
20 Q And that's for the same Giant Eagle  
21 Pharmacy at Brook Park, Ohio, that we looked at  
22 for the last few change requests, right?  
23 A Yes.  
24 (Snider Exhibit No. 46 was marked

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1 for identification.)  
2 BY MR. BOGLE:  
3 Q Okay. I'm going to hand you Exhibit 46,  
4 which is Exhibit 1.1816.  
5 It's a file for Giant Eagle 0230. Do  
6 you see that?  
7 A Yes.  
8 Q Okay. If you go to .2 -- actually, I'm  
9 sorry, let's go to .4 first. My apologies.  
10 There is an e-mail there in the middle  
11 of the page from Sabrina Cook to the same two  
12 individuals at Giant Eagle on November 20, 2008,  
13 saying: "Please see below for the stores that hit  
14 above 80 percent of their thresholds. If there's  
15 a business reason for an increase, please let us  
16 know."  
17 Do you see that? And there's a chart  
18 below with Giant Eagle 488 for oxycodone, Giant  
19 Eagle 230 for hydrocodone, and Giant Eagle 224 for  
20 oxycodone in that chart.  
21 A Yes.  
22 Q Gregory Carlson then responds the same  
23 day in the next e-mail above saying: "All need to  
24 be increased by 20 percent. These stores are all

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1 experiencing high volume. 488 have significantly  
2 grown due to a remodel, and the other two are in  
3 Cleveland, which is a high growth market for us."  
4 Do you see that?  
5 A I see that.  
6 Q Did you have an understanding that in  
7 late 2008 that Cleveland was a high growth market  
8 for controlled substances for Giant Eagle?  
9 MR. COLLINS: Objection. Form.  
10 THE WITNESS: No, I didn't. I know --  
11 can you rephrase that? I apologize.  
12 BY MR. BOGLE:  
13 Q Yeah. Did you know in late 2008 that  
14 Cleveland was a high growth market for Giant Eagle  
15 for controlled substances?  
16 A No, not for controlled substances, but I  
17 know their volume increased. Whereas a typical  
18 pharmacy might be eighty to 100,000, these guys  
19 were three to 400,000 and doing multiple scripts.  
20 It was a high density area. I do know that.  
21 Q Okay. So, in his e-mails indicated  
22 here, it was a -- what they called a high growth  
23 market, right?  
24 A That's what he says here.

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1 Q All right. And then if you see on  
2 page .2, here's the threshold increase form that  
3 corresponds with that request dated November 21,  
4 2008, for the Giant Eagle 230 in Cleveland, Ohio.  
5 Do you see that?  
6 A Yes.  
7 Q It's for a 20 percent increase for  
8 hydrocodone, right?  
9 A I'm sorry, I can't -- yes.  
10 Q And again, the same reason for change  
11 was given here that we've seen in the prior  
12 threshold change forms, which is volume growth,  
13 right?  
14 A Yes, with Greg's phone number.  
15 Q All right. And there's no -- again, in  
16 this packet of information for this pharmacy that  
17 we obtained, there is no dispensing data attached,  
18 is there?  
19 A I'm not privy to -- to any of that. I  
20 don't see it here at all.  
21 Q Okay. And your signature on this  
22 document appears on November 21, '08, right?  
23 A Yes.  
24 Q I'm going to hand you what I'm marking

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1 Exhibit 47, also noted as 1.1839.  
2 (Snider Exhibit No. 47 was marked  
3 for identification.)  
4 BY MR. BOGLE:  
5 Q This information relates to Giant Eagle  
6 4030. Do you see that?  
7 A Yes.  
8 Q Okay. And if you look here on page .4,  
9 there is an e-mail at the bottom of the page from  
10 Gregory Carlson to Telisca Lindsay, July 29, '09,  
11 where he says: "Telisca, please increase the  
12 following stores these percentages based on  
13 reasons listed" --  
14 A Excuse me, hold on one second. Could  
15 you tell me where you're at?  
16 Q Yeah.  
17 A What page?  
18 Q It says .4 on the very --  
19 A Sorry. Thank you.  
20 Q -- bottom. Yeah.  
21 Let me know when you get there, and I'll  
22 reread it --  
23 A I'm there.  
24 Q -- so we'll be on the same page

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1 literally.  
2 A I'm on it.  
3 Q Okay. So it says on this e-mail from  
4 July 29, 2009, from Gregory Carlson: "Please  
5 increase the following stores these percentages  
6 based on reasons listed. Thanks."  
7 And you see specifically as to the store  
8 this packet pertains to, Giant Eagle 4030, there's  
9 a request for a 10 percent increase for oxycodone,  
10 and the reason given is "volume up." Do you see  
11 that?  
12 A 4030. Yes.  
13 Q Okay. And then if you go to the actual  
14 form, which is page .2, you see here's the form  
15 from July 29, 2009, for the Giant Eagle in  
16 Tallmadge, Ohio. Do you see that?  
17 A Yes.  
18 Q And that's in Summit County, right?  
19 A Yeah, I think it is. It's on the edge.  
20 I think so.  
21 Q All right. And you see the reason given  
22 here for the change is volume growth. Do you see  
23 that?  
24 A I'm sorry.

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1 Q I'm just looking at "Reason for  
2 requested change."  
3 A Oh, thank you. Yes, I see it now.  
4 Q Okay. And what's noted here, though, is  
5 a 20 percent increase for this store for  
6 oxycodone, right?  
7 A Yes.  
8 Q They only actually requested 10, though,  
9 right?  
10 MR. COLLINS: Objection. Foundation.  
11 THE WITNESS: Can you help me out?  
12 BY MR. BOGLE:  
13 Q Yep. So if you go back to .5, the chart  
14 provided by Gregory Carlson, for Giant Eagle 4030,  
15 he's asking for a 10 percent increase for  
16 oxycodone. Do you see that in the middle of the  
17 chart?  
18 A It looks like it, yes.  
19 Q Okay. But on the threshold change form  
20 completed the same day and signed by you, there's  
21 a 20 percent increase approved, right? Which is  
22 also signed off on by Regulatory.  
23 MR. COLLINS: Objection. Form.  
24 THE WITNESS: Yes, Regulatory would have

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1 vetted it out.  
2 BY MR. BOGLE:  
3 Q Right. But you see that there is a  
4 20 percent increase approved for oxycodone whereas  
5 they asked for 10?  
6 MR. COLLINS: Objection. Foundation.  
7 BY MR. BOGLE:  
8 Q On the same day.  
9 A I don't know all the information that  
10 went to vet that out by the director of Regulatory  
11 Affairs. I believe it was Dave Gustin.  
12 Q Okay. But --  
13 A It doesn't say that in the e-mail.  
14 Q Yeah, but you see here that we just  
15 looked at the request being made for 10 percent  
16 and granted at 20 percent, right?  
17 MR. COLLINS: Objection.  
18 Mischaracterization, lacks foundation.  
19 THE WITNESS: I see what they put in the  
20 e-mail, yes.  
21 BY MR. BOGLE:  
22 Q And you see what's in the threshold  
23 change form, right?  
24 A Yes, I do.

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1 Q Okay. One says 10, the other says 20,  
2 right?  
3 A This e-mail says 10, the other says 20.  
4 I don't know what else was vetted out by Dave and  
5 with the customer.  
6 Q All right. I'm handing you what I'm  
7 marking as Exhibit 1.1817, which is also marked as  
8 Exhibit 48.  
9 (Snider Exhibit No. 48 was marked  
10 for identification.)  
11 BY MR. BOGLE:  
12 Q This packet pertains to Giant Eagle  
13 2029. Do you see that on the first page?  
14 A Yes.  
15 Q Okay. If you can go to page .7.  
16 Looking at the e-mail from -- sorry, e-mail from  
17 Sabrina Cook, the bottom e-mail on the page, to  
18 Gregory Carlson and Donald Casar, December 19,  
19 2008, where she says: "The below stores have hit  
20 above 80 percent. Please let me know if there is  
21 a business reason for an increase."  
22 Gregory Carlson responds the same day in  
23 the e-mail above: "All the hydrocodones need to  
24 be bumped by 25 percent." It says: "All due to

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1 out-of-stock situation on the Vicodin from last  
2 month filling owes. Also bump the two with the  
3 oxycodone. 4012 had a recent acquisition, so  
4 their volume is way up, and 5863 is experiencing  
5 greater than average growth. Increase 4012 by  
6 25 percent and 5863 by 20 percent."  
7 Do you see that?  
8 A I see it.  
9 Q Okay. And if you look, the form appears  
10 on page .2. This is the form for hydrocodone  
11 related to that request, and this pharmacy is  
12 located in Bedford, Ohio. Do you see that?  
13 A Yes.  
14 Q It's another Cuyahoga County pharmacy,  
15 right?  
16 A Yes. It's where I bought my car.  
17 Q Okay. And the request here is for the  
18 25 percent increase to hydrocodone, right?  
19 A Yes.  
20 Q Which was submitted by you December 19,  
21 2008, correct?  
22 A Yes.  
23 Q And again, in this packet of  
24 information, no dispensing data to support the

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1 growth, right?  
2 MR. COLLINS: Objection. Foundation.  
3 THE WITNESS: I don't know what due  
4 diligence did -- they did with the RNA.  
5 BY MR. BOGLE:  
6 Q I'm just asking if in the packet of  
7 materials here we've got dispensing data.  
8 A I don't see it in this packet, no.  
9 (Snider Exhibit No. 49 was marked  
10 for identification.)  
11 BY MR. BOGLE:  
12 Q All right. I'm going to hand you  
13 1.1841, which is marked as Exhibit 49.  
14 Okay. Let's start on page .2 at the  
15 bottom. Do you see an e-mail from October 29,  
16 2010, from pharmacy team leader to Gregory  
17 Carlson, copying Michael Chappell, at the very  
18 bottom?  
19 A Yes.  
20 Q It says there: "Greg, just received our  
21 order from McKess, and we did not get the Endocet  
22 and Roxicet that we need desperately. We have  
23 increased our business, and with a pain management  
24 specialist in town and several terminal patients,

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1 we are seeing a rise in these products. According  
2 to McKesson, we are limited to 9,900 tablets, and  
3 they recommend 12,000 units. We need to get these  
4 medications or lose our customers. Can anything  
5 be done?"  
6 Do you see that e-mail?  
7 A Yes, I see it.  
8 Q Okay. And then the next e-mail up in  
9 the chain, there's an e-mail from Randy Heiser at  
10 Giant Eagle to a Jeff Wallace saying: "Jeff, we  
11 are currently evaluating pain management as a  
12 corporate business opportunity. Looking at the  
13 Cleveland marketplace to begin. Already in  
14 conversation with the Cleveland Clinic. Please  
15 give me a call this week to discuss."  
16 Do you see that?  
17 A Yes.  
18 Q Did you know that around this time in  
19 2010 that Giant Eagle was looking at pain  
20 management clinics as a corporate business  
21 opportunity?  
22 MR. COLLINS: Objection. Foundation.  
23 THE WITNESS: I don't remember that.  
24 BY MR. BOGLE:

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1 Q Okay.  
2 A That was 2010. I -- I do know Jeff  
3 Wallace. He was the account manager. So I don't  
4 remember this e-mail in particular.  
5 Q Well, you see, though, the next e-mail  
6 up, Jeff does copy you on it.  
7 A Yes.  
8 Q So you would have seen this e-mail that  
9 I just read to you, right?  
10 MR. COLLINS: Objection. Foundation.  
11 THE WITNESS: He sends it back to me  
12 just saying, "I will call Randy," yes.  
13 BY MR. BOGLE:  
14 Q Right. So this is an e-mail, the one I  
15 just read to you about the pain management as  
16 being a corporate business opportunity for Giant  
17 Eagle, is one you would have received, right?  
18 MR. COLLINS: Objection. Foundation.  
19 THE WITNESS: I did not receive it. I  
20 was copied --  
21 BY MR. BOGLE:  
22 Q You didn't receive --  
23 A I was copied on it.  
24 Q Right. So when you're copied on it, you

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1 get to see it, right?  
2 MR. COLLINS: Objection. Lacks  
3 foundation.  
4 THE WITNESS: Yes. And I just -- Jeff  
5 said, I'm going to call Randy on this, and so if I  
6 saw that, I don't recall specifically from 2010.  
7 BY MR. BOGLE:  
8 Q Okay. So do you recall any other  
9 discussions with Giant Eagle that -- about pain  
10 management clinics being a business opportunity  
11 for them?  
12 A No. I try to make it clear that it's  
13 regarding the national accounts, they're vetted  
14 out by our national accounts folks and the  
15 directors of Regulatory Affairs. So I wouldn't  
16 have had that discussion at my level, no.  
17 Q So if Giant Eagle was looking at pain  
18 management clinics as a business opportunity in  
19 the Cleveland market, even though that's a market  
20 that you service with your distribution center,  
21 you don't think you would be aware of that?  
22 A I think I would be aware that it's been  
23 fully vetted by the director of Regulatory Affairs  
24 and our national accounts folks.

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1 Q So you would totally defer to them as to  
2 whether that was a business opportunity that  
3 McKesson should participate in. Is that fair?  
4 MR. COLLINS: Objection.  
5 Mischaracterization. Foundation.  
6 THE WITNESS: I would defer to their  
7 data and expertise, especially in the 2010 time  
8 frame, yes.  
9 BY MR. BOGLE:  
10 Q Okay. But you don't recall being made  
11 aware of it around that time frame, though?  
12 A No.  
13 Q Other than being copied on that e-mail.  
14 A No. I know who Randy Heiser is and I  
15 know who Jeff Wallace is. And I -- my due  
16 diligence was to send it to two Regulatory people  
17 to make sure they're aware.  
18 Q Do you recall receiving correspondence  
19 in late 2013 regarding the subject of enhanced  
20 controlled substance monitoring by McKesson?  
21 A I do recall a change in 2013 to enhance  
22 it, yes.  
23 Q And you're aware that that change was  
24 prompted by renewed investigations by the

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1 Department of Justice and DEA as to McKesson's  
2 practices, right?  
3 MR. COLLINS: Objection. Foundation.  
4 THE WITNESS: I don't remember that. I  
5 would have to see what the correspondence said. I  
6 don't remember that.  
7 BY MR. BOGLE:  
8 Q You do know that McKesson ultimately in  
9 2016 paid a \$150 million fine for violations of  
10 the Controlled Substances Act, right?  
11 MR. COLLINS: Objection. Calls for a  
12 legal conclusion.  
13 BY MR. BOGLE:  
14 Q Do you know whether that occurred?  
15 MR. COLLINS: I'm sorry. Lack of  
16 foundation. Form.  
17 BY MR. BOGLE:  
18 Q Do you know that?  
19 A I heard it was a settlement with the  
20 DEA.  
21 Q Okay. Do --  
22 A And that's what I was told.  
23 Q You weren't told how much?  
24 A I was told it was --

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1 Q For how much or for what for?  
2 A I was told it was a settlement for  
3 \$150 million.  
4 Q Okay. But you didn't -- you never asked  
5 what for?  
6 A I'm sure I did.  
7 Q Okay. Do you remember being told what  
8 it was for?  
9 A Not the people that know, no.  
10 Q Okay. I'm going to hand you --  
11 actually, strike that -- 1.1775, which I'm marking  
12 as Exhibit 50.  
13 (Snider Exhibit No. 50 was marked  
14 for identification.)  
15 BY MR. BOGLE:  
16 Q Okay. And do you see here on the first  
17 page, there's an e-mail from 10/24/13 sent by Elie  
18 Rio, the subject being "Suspicious order  
19 monitoring awareness training."  
20 Do you see that?  
21 A Yes.  
22 Q Okay. And if you go to the second page,  
23 required attendees, there's a list there, and in  
24 the second row names, you see -- you see you?

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1 A Yes.  
2 Q Okay. Do you recall attending this  
3 training?  
4 A I think it was a Webex.  
5 Q Okay.  
6 A And I don't recall specifically, but I'm  
7 sure I was there.  
8 Q Okay. Pertaining to this training, it's  
9 stated here: "Team" -- sent on behalf of Don  
10 Walker -- "As you are aware, we are in the process  
11 of implementing an enhanced suspicious order  
12 monitoring program. As a pharmaceutical  
13 distributor, McKesson has a responsibility to  
14 ensure pharmaceutical controlled substances are  
15 not diverted for nonmedical or other illegal  
16 purposes. To that end, we are further enhancing  
17 our controlled substances distribution policies  
18 and procedures."  
19 Do you see that?  
20 A Yes.  
21 Q Okay. McKesson's responsibility is to  
22 ensure that controlled substances are not diverted  
23 for nonmedical or other illegal purposes. You  
24 understand that McKesson has had that

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1 responsibility since you've been running the  
2 distribution center in New Castle in 2000, right?  
3 MR. COLLINS: Objection to the form.  
4 THE WITNESS: I don't know if that was  
5 the language.  
6 BY MR. BOGLE:  
7 Q Okay. Do you have an understanding that  
8 that was the general responsibility from 2000 to  
9 present?  
10 MR. COLLINS: Objection to the form.  
11 THE WITNESS: I know the SOPs that  
12 McKesson had, and I tried to follow those.  
13 BY MR. BOGLE:  
14 Q Okay. So you have no opinion one way or  
15 the other whether that was McKesson's  
16 responsibility from 2000 to present while you were  
17 distribution center manager?  
18 MR. COLLINS: Objection. Vague, form.  
19 THE WITNESS: I don't know if those  
20 words were used.  
21 BY MR. BOGLE:  
22 Q Okay. Those words do not look familiar  
23 to you?  
24 MR. COLLINS: Objection. Argumentative.



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1 THE WITNESS: I can't answer that. I  
2 don't know.  
3 BY MR. BOGLE:  
4 Q Okay. So -- but after this enhanced  
5 suspicious order monitoring program was  
6 implemented, your distribution center began  
7 looking closer at its customers to see if any of  
8 their orders were out of the ordinary, right?  
9 A I would say that the director of  
10 Regulatory Affairs took that over in 2013 because  
11 they could get the data, and it was more of a  
12 data-driven evolving of it. So they would get the  
13 script data, and they would do the searches for  
14 it.  
15 Q Okay. You were involved in actually  
16 vetting the customers as well, though, right?  
17 MR. COLLINS: Objection. Form.  
18 BY MR. BOGLE:  
19 Q In 2013.  
20 MR. COLLINS: Objection. Form.  
21 THE WITNESS: I don't remember if we  
22 still did Level I observations or the DRAs did it.  
23 BY MR. BOGLE:  
24 Q Okay. Let's take a look here then.

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1 (Snider Exhibit No. 51 was marked  
2 for identification.)  
3 BY MR. BOGLE:  
4 Q I hand you Exhibit 51, also marked as  
5 1.1876.  
6 Do you see here this is an e-mail from  
7 you, April 17, 2013, to several individuals? Do  
8 you see that?  
9 A Yes.  
10 Q Titled "Monthly Drug Usage Report,  
11 March." Do you see that there?  
12 A Yes.  
13 Q And you say: "John, Alex and Kim: We  
14 are going to set up CSMP visits for all of the  
15 accounts below. This is based on Joe Lumpkin's  
16 monthly reports attached. The first column  
17 represents higher than normal controls percent to  
18 total purchases. This would be ISMC over 25  
19 percent. The second column represents high  
20 oxycodone purchases to control purchases. This is  
21 over 25 percent. Based on this data, it's  
22 recommended that we do CSMP visits, with usage and  
23 questionnaires completed within the next 60 to 90  
24 days."

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1 Do you see that?  
2 A Yes.  
3 Q Okay. So you have familiarity and  
4 experience looking at this ratio we talked about  
5 before, the controls percentage versus the overall  
6 percentage of prescriptions filled, right?  
7 A This data was given to me, yes.  
8 Q Right. And you actually describe the  
9 data in pretty good detail there in the e-mail I  
10 just read, right?  
11 MR. COLLINS: Objection. Vague.  
12 THE WITNESS: Joe sent this on April  
13 2013, so I scheduled due diligence to get the  
14 salesperson and Dale to do an observation or  
15 Level I at each one of these stores.  
16 BY MR. BOGLE:  
17 Q Okay. My question was simply --  
18 A Sorry.  
19 Q -- what I just read is your recitation  
20 which provides your understanding of what this  
21 data actually even means, right?  
22 MR. COLLINS: Objection. Vague.  
23 THE WITNESS: Recitation. Please, I  
24 don't -- can you rephrase that?

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1 BY MR. BOGLE:  
2 Q What I just read -- I'm trying to avoid  
3 reading the whole thing to you again -- but the  
4 highlighted information on the screen here for you  
5 is your specific understanding of what the ratios  
6 of controlled substance purchases to overall  
7 prescription purchases means in addition to  
8 OxyContin prescription of controls purchase data,  
9 which we talked about before.  
10 A This shows, yes, that Joe Lumpkin sent  
11 me information, so I scheduled within 60 days a  
12 visit to all these stores.  
13 Q And your discussion specifically of your  
14 understanding of what that data means, right?  
15 MR. COLLINS: Objection. Form.  
16 THE WITNESS: I do remember most of it,  
17 yes.  
18 BY MR. BOGLE:  
19 Q Okay. And I just want to look at a  
20 couple of these here.  
21 So there's Best Care of Bridgeport, the  
22 second pharmacy listed, you see there at this  
23 point in time, March 2013, their controls  
24 percentage to overall prescription purchases was

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1 53.97 percent.  
 2 Do you see that?  
 3 A Yes.  
 4 Q Okay. You know that's very high, right?  
 5 A I also know I don't know how many  
 6 wholesalers they had or what they were buying from  
 7 other pharmaceuticals. So that is higher than the  
 8 norm, and I would have scheduled a visit there.  
 9 Q Okay. And their -- their sales of  
 10 oxycodone and hydrocodone had been high for years  
 11 leading up to 2013. We looked at that earlier in  
 12 the deposition. You recall that, don't you?  
 13 MR. COLLINS: Object -- objection.  
 14 Argumentative, compound, assumes facts not in  
 15 evidence, lack of foundation.  
 16 THE WITNESS: I don't remember when we  
 17 required a -- you would have to refresh me on that  
 18 again.  
 19 BY MR. BOGLE:  
 20 Q You don't recall looking at all the  
 21 pharmacy information on Best Care earlier today?  
 22 A I meant I didn't require -- I didn't  
 23 remember when we acquired Best Care.  
 24 Q Okay.

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1 A So --  
 2 Q You don't remember at all?  
 3 A I don't remember what year.  
 4 Q Okay. So, now the information about  
 5 whether they had another distributor is  
 6 information that you should have been aware of at  
 7 this point in time, right?  
 8 MR. COLLINS: Objection.  
 9 BY MR. BOGLE:  
 10 Q In April 2013, you should have already  
 11 known that, right?  
 12 MR. COLLINS: Objection. That's  
 13 multiple questions. It's compound. Foundation.  
 14 THE WITNESS: No, I didn't have that  
 15 information.  
 16 BY MR. BOGLE:  
 17 Q You didn't ask that?  
 18 A I may have --  
 19 MR. COLLINS: Objection. Vague.  
 20 THE WITNESS: I may have asked that, but  
 21 it asks that in the Level I questionnaire, and  
 22 that's not attached.  
 23 BY MR. BOGLE:  
 24 Q Okay. So -- but for Best Care, for

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1 example, you wouldn't have already known when you  
 2 completed this e-mail and attached the chart  
 3 whether they had another distributor?  
 4 MR. COLLINS: Objection to the form.  
 5 THE WITNESS: No.  
 6 BY MR. BOGLE:  
 7 Q You wouldn't know that?  
 8 A No.  
 9 Q If you can go back to Exhibit 9 real  
 10 quick. And keep this one I'm looking at with you  
 11 out too, but...  
 12 A Eight.  
 13 MR. COLLINS: One more. Getting warmer.  
 14 THE WITNESS: 10.  
 15 MR. COLLINS: Getting warmer.  
 16 THE WITNESS: 11. Sorry. Where is 9?  
 17 It has to be behind there. I'm sorry. 15. I  
 18 don't see 9 here. Let me look at that other --  
 19 BY MR. BOGLE:  
 20 Q You can follow me up on the screen if  
 21 you want. It doesn't matter to me.  
 22 MR. COLLINS: It's got to be in this  
 23 stack.  
 24 THE WITNESS: If it's okay with you, I

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1 will go ahead and follow it here.  
 2 BY MR. BOGLE:  
 3 Q This is the last document I want to  
 4 cover with you, so I'm just trying to -- so if you  
 5 look -- if we can turn to the second page of the  
 6 document, you see here -- you remember us talking  
 7 earlier about this regional statistical norms  
 8 chart?  
 9 A Yes.  
 10 Q Okay. And we talked about New Castle,  
 11 the controlled substances to total prescription  
 12 norm was 19 percent. Do you see that in the  
 13 Northeast chart there?  
 14 A That's not New Castle. That's all the  
 15 distribution centers combined.  
 16 Q Right. That applies to all of them in  
 17 the Northeast. You understand that, right?  
 18 A Yes. Yes, I understand that.  
 19 Q And New Castle is included there, right?  
 20 A Yes. Yes.  
 21 Q Okay. So with a 19 percent controlled  
 22 substances to overall prescription purchases norm,  
 23 you would agree with me that Best Care of  
 24 Bridgeport is multiple times over that number,

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1 right, in 2013?  
2 MR. COLLINS: Objection to form,  
3 foundation.  
4 THE WITNESS: Yes, that number is higher  
5 than that.  
6 BY MR. BOGLE:  
7 Q Right. Significantly higher, right?  
8 MR. COLLINS: Objection. Vague.  
9 THE WITNESS: Two-and-a-quarter times.  
10 BY MR. BOGLE:  
11 Q Okay. And the last one I want to look  
12 at here is, for oxycodone for your region, 5  
13 percent is noted to be the regional norm of total  
14 prescriptions should be oxycodone. That's the  
15 regional norm. Do you see that?  
16 MR. COLLINS: Objection. Lack of  
17 foundation.  
18 THE WITNESS: These numbers are not  
19 guidelines for appropriate dispensing. They are  
20 simply national average derives from McKesson  
21 data. Yes, I see that.  
22 BY MR. BOGLE:  
23 Q You see where it says --  
24 A Yeah.

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1 Q -- "Diversion can occur in purchases  
2 below these statistical norms"?  
3 A Yes.  
4 Q I think you missed that sentence.  
5 A Yes.  
6 Q Okay. And then so if you look here for  
7 Martella's, which is another pharmacy we just --  
8 we talked about earlier. Do you recall them?  
9 A Yes.  
10 Q Okay. So the oxy percentage of controls  
11 purchased, they have three different listings.  
12 They're between 37 and 57 percent for their three  
13 different DEA numbers. Do you see that on this  
14 chart from 1.1876?  
15 A Yeah, but I see -- I think the 19 refers  
16 to our controls percent of Rx purchase, doesn't  
17 it? Or am I wrong on that?  
18 Q 19? I'm not sure I'm following you.  
19 A On the chart before.  
20 Q Can we go back to the other chart?  
21 MR. COLLINS: Yeah, we've got a copy of  
22 it. Hold on one second so he can see it.  
23 MR. BOGLE: We'll go back to the chart  
24 either way on the screen.

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1 MR. COLLINS: Well, here, I'm going to  
2 hand it to him so he can look at it.  
3 THE WITNESS: Thank you.  
4 MR. BOGLE: Yeah, that's fine.  
5 THE WITNESS: It says 19 percent of  
6 total Rx, so that refers to controls percent to Rx  
7 purchase line.  
8 BY MR. BOGLE:  
9 Q Right. And for oxycodone specifically,  
10 that's noted to be 5 percent. Do you see that for  
11 your region?  
12 A You said percent of total Rx, yes.  
13 Q Right. And so that's the same sort of  
14 calculations that are being run here in  
15 Exhibit 1.1876, and for Martella's, for their  
16 three different DEA numbers, they're coming out at  
17 between 37 and 57 percent, right?  
18 A Correct.  
19 MR. COLLINS: Object to the form.  
20 MR. BOGLE: No further questions at this  
21 time.  
22 MR. COLLINS: Why don't we take five  
23 minutes? I have some redirect.  
24 THE VIDEOGRAPHER: The time is 4:59 p.m.

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1 We're going off the record.  
2 (Recess.)  
3 THE VIDEOGRAPHER: The time is 5:12  
4 p.m., and we're back on the record.  
5 REDIRECT EXAMINATION  
6 BY MR. COLLINS:  
7 Q Good afternoon, Mr. Snider.  
8 A Good afternoon.  
9 Q I'm Kevin Collins.  
10 A Yes.  
11 Q Where do you currently live?  
12 A I currently live in -- south of  
13 Youngstown, Ohio -- Poland, Ohio.  
14 Q Can you keep your voice up. I know it's  
15 been a long day. One more time?  
16 A Poland, Ohio.  
17 Q Okay. And what county is that?  
18 A It's Mahoning County.  
19 Q All right. And where is that county  
20 related to Summit and Cuyahoga counties?  
21 A It's about three or four counties over  
22 east, directly east towards the PA line.  
23 Q And how long have you resided there?  
24 A Twenty -- 18 years.

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1 Q All right. Where were you born and  
 2 raised?  
 3 A I was born in Coshocton, Ohio, and was  
 4 raised in Cuyahoga Falls in Summit County.  
 5 Q Where did you go to high school?  
 6 A Cuyahoga Falls High School.  
 7 Q What did you do after high school?  
 8 A I went to Kent State University.  
 9 Q And after Kent State, when did you  
 10 graduate?  
 11 A I graduated in -- I'm sorry -- 1978.  
 12 Sorry. That's a long time ago.  
 13 Q Okay. And when did you start working  
 14 for McKesson?  
 15 A I believe '79, '80.  
 16 Q Can you briefly describe the positions  
 17 you've held, starting from your earliest position  
 18 at McKesson to your current position and where --  
 19 where you were located.  
 20 A Okay. Sure. Started in North Canton,  
 21 Ohio. I don't remember exactly how long, but I  
 22 was first a trainee for a couple of months, and  
 23 then a night supervisor after that couple of  
 24 months of -- in there. And then I did that for

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1 quite a few years, and then I got promoted to  
 2 operations manager there, and I'm not sure what  
 3 year that was. It would be on -- probably on my  
 4 resume, but I don't remember.  
 5 And then after that, we built a new  
 6 facility in Cincinnati, Ohio. Fairfield, Ohio, to  
 7 be exact. And I ran -- I went there as the  
 8 operations manager. And I --  
 9 Q What year was that?  
 10 A 1978. No, '75. I think so.  
 11 Q Would it be --  
 12 A No, no. No, no. I'm sorry. I have the  
 13 wrong -- '95 or '6. Sorry about that.  
 14 Q I'm sorry. Where did you go after that?  
 15 A After Cincinnati, I went back to North  
 16 Canton, and then they promoted me to distribution  
 17 center manager over in Sewickley, Pennsylvania,  
 18 and after that I was promoted to manager over  
 19 Sewickley and North Canton. And we had closed  
 20 Cincinnati, and then we closed North Canton, which  
 21 was in Stark County, and we combined it into New  
 22 Castle in 2000, and I was made the director of  
 23 operations there.  
 24 Q So is it true that the New Castle

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1 facility opened in 2000?  
 2 A Yes. May of 2000.  
 3 Q And when it opened, what was your title?  
 4 A I don't remember if it was DCM or DO,  
 5 but it was one of those, and I ran the  
 6 distribution center. We got -- started it up, and  
 7 then I'm still there. So I've always been in the  
 8 Ohio/PA market.  
 9 Q What geographic territory does the New  
 10 Castle distribution service -- distribution center  
 11 service?  
 12 A Our distribution center services -- if I  
 13 could say what towns, you might know, but on the  
 14 east is State College, which is the -- central PA;  
 15 on the north is Erie, Pennsylvania, which is the  
 16 north side; northwest is -- is Cleveland; and then  
 17 southwest would be down to the Zanesville area;  
 18 and then south would be -- I believe it was  
 19 Morgantown, Weston; and then back up to New  
 20 Castle. So we're in the geographic center.  
 21 Q How many employees do you manage?  
 22 A About 133 right now.  
 23 Q And how many employees are direct  
 24 reports to you?

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1 A About ten.  
 2 Q In your almost 19 years of managing the  
 3 New Castle Distribution Center, how would you  
 4 describe the performance of the distribution  
 5 center?  
 6 MR. BOGLE: Object to form, vague and  
 7 ambiguous.  
 8 THE WITNESS: The distribution center  
 9 won the DC of the year seven times, and that's  
 10 twice as many as any other distribution center has  
 11 received that, and that's based on the quality and  
 12 the performance of the distribution center.  
 13 BY MR. COLLINS:  
 14 Q Are there ever any internal audits  
 15 performed about the operations of the distribution  
 16 center at New Castle?  
 17 A Yes. We have four or five kinds of  
 18 audits. The first kind is called a STARS audit  
 19 that we do internally to match our SOPs to our  
 20 performance. And that's done -- right now it's  
 21 done by an accounting team. But before that, all  
 22 those years, it was done by McKesson Regulatory  
 23 Affairs folks.  
 24 Then we have a specific --

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1 Q I'm sorry. Can you tell me how often  
 2 that's done?  
 3 A Every two, two-and-a-half years.  
 4 Q Okay. And the next -- the other audit  
 5 you were going to describe?  
 6 A Yes. Sorry. The next audit is the DEA  
 7 cyclic audit or any DEA unannounced audit. So  
 8 we've had cyclic audits average two-and-a-half  
 9 years. They try to do them every two years,  
 10 but -- so I believe there were four audits at the  
 11 distribution center by the DEA, and they've all  
 12 came out as -- a hundred percent as exemplary. So  
 13 that was one of the other audits.  
 14 And then monthly, we did the triannual  
 15 report, which was a DEA SOPs. And then also we  
 16 did a VAWD audit, which is the National Wholesale  
 17 Association. We do that every two to five years  
 18 depending on our licensure. We were one of the  
 19 first DCs to get VAWD accreditation.  
 20 So when the DEA or we do our audits, we  
 21 check our licensing and numerous other things, but  
 22 the DEA has been in there a few times, and they've  
 23 always had exemplary comments for New Castle and  
 24 our team.

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1 (Snider Exhibit No. 52 was marked  
 2 for identification.)  
 3 BY MR. COLLINS:  
 4 Q I'm going to hand you what's been  
 5 premarked as Exhibit 52.  
 6 Mr. Snider, can I ask you to identify  
 7 what is Exhibit 52?  
 8 A This is the triannual checklist in the  
 9 McKesson operations manual.  
 10 Q And what's the purpose of this document?  
 11 A It's to do a -- every -- every  
 12 quarter -- every four months, I'm sorry, do a  
 13 DA -- DEA triannual checklist, and there's a group  
 14 of questions to ask to make sure we're complying  
 15 with supply chain and SOPs.  
 16 Q Has the DEA ever complained to you about  
 17 your operations at the New Castle Distribution  
 18 Center?  
 19 MR. BOGLE: Object to form.  
 20 THE WITNESS: No. They've always  
 21 said -- I know Kurt Dittmer, who was there before.  
 22 Patty Robson is there right now as interim agent  
 23 in charge, and before that we had -- I knew Jim  
 24 Crawford, and all of them have given us exemplary

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1 records.  
 2 BY MR. COLLINS:  
 3 Q Have you ever received -- or has the  
 4 distribution center ever received any kind of  
 5 minor infraction or citation from the DEA?  
 6 MR. BOGLE: Object to form.  
 7 THE WITNESS: Never.  
 8 BY MR. COLLINS:  
 9 Q In terms of the New Castle Distribution  
 10 Center operations, on average, what's the volume  
 11 of the pharmaceuticals that you distribute per  
 12 day?  
 13 A We do about 150,000 pieces a day to  
 14 200,000, depending on the day.  
 15 Q And when you say "pieces," what do you  
 16 mean? Is that -- is that a tablet or --  
 17 A A bottle or pill, or even sometimes a  
 18 case. It depends on the selling unit.  
 19 Q 150,000 pieces?  
 20 A Minimum.  
 21 Q And how many -- what portion of that is  
 22 controlled substances?  
 23 A About fourteen to 15,000. Total for  
 24 Class II, III, IV and V.

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1 Q And in terms of opioids, what's the  
 2 percentage of the product that is moved out of the  
 3 distribution center each day that is an opioid?  
 4 MR. BOGLE: Object to form as to time,  
 5 vague and ambiguous.  
 6 MR. COLLINS: And I -- fair enough. I  
 7 will -- Mr. Bogle's objection is well founded.  
 8 BY MR. COLLINS:  
 9 Q Over the course of the last 20 years,  
 10 can you tell me how the volume of opioids, what  
 11 it's been relative to the rest of the product  
 12 that's been moved?  
 13 MR. BOGLE: Object to form.  
 14 THE WITNESS: Two percent.  
 15 BY MR. COLLINS:  
 16 Q What other products besides controlled  
 17 substances does the distribution center  
 18 distribute?  
 19 A We sell pharmaceuticals, legend drugs,  
 20 over-the-counter merchandise, some medical  
 21 devices, everything from syringes to -- we used to  
 22 sell wheelchairs and that, but we got out of that  
 23 business locally. But we would sell anything you  
 24 would see in a pharmacy.



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1 Q How significant in terms of the  
2 resources are controlled substance to your daily  
3 distribution needs?  
4 MR. BOGLE: Object to form.  
5 THE WITNESS: Currently we have about 10  
6 or 12 people that do nothing but the controls. I  
7 have two clerks that do nothing but the paper 222  
8 forms or sorting those out, and I have one that  
9 answers the phone and balances those edits. We  
10 send an edit every day to the DEA, electronically.  
11 I believe it's the Philadelphia office.  
12 BY MR. COLLINS:  
13 Q Let's take an opioid that is received in  
14 your distribution center, and I'd like you to  
15 describe how it's received, how it's handled, how  
16 it's stored, and how it's then further  
17 distributed.  
18 MR. BOGLE: Objection. Form, compound.  
19 THE WITNESS: We receive it several  
20 ways. Directly from a vendor or FedEx or what we  
21 call our national redistribution center. So I'll  
22 take the national redistribution center.  
23 They send a notice to us that something  
24 is coming. The minute it hits the door, it's got

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1 an electronic threshold report that I actually get  
2 an e-mail or text that I have to have it in the  
3 cage or the vault within one-half hour. If that  
4 doesn't happen, then the text happens to my  
5 managers to go out and see what's wrong.  
6 And of that, we check it in. We open it  
7 up under camera every -- every box. And then the  
8 receiver checks it in, puts it in a holding cage  
9 and rolls it over, just about every hour or two  
10 hours, to the cage or the vault. And then that  
11 person double-checks and opens it up under camera,  
12 and then we have a record of that that keeps  
13 for -- with our system now at least 60 days. And  
14 that's part of it. Everything is double-checked  
15 by at least two people.  
16 BY MR. COLLINS:  
17 Q I'm going to hand you a series of  
18 photographs and ask you to identify them for me.  
19 A Okay.  
20 Q They've been premarked as Exhibits 2  
21 through -- 2 through 11. So I'm going to hand you  
22 each of those, and I want you to tell me -- I'll  
23 hand them to you. You can have a seat.  
24 I'm sorry, 53 through 62.

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1 (Snider Exhibits No. 53 through 62  
2 were marked for identification.)  
3 BY MR. COLLINS:  
4 Q So I'm handing you 53. Do you recognize  
5 what's depicted in Exhibit 53?  
6 A Yes.  
7 Q What is it?  
8 A This is our control substance cage for  
9 Class III, IV and V merchandise.  
10 Q And where is that perspective from?  
11 A It's from the mezzanine level looking  
12 down.  
13 Q And does that fairly and accurately  
14 depict the cage --  
15 A Yes.  
16 Q -- in its current state?  
17 A Yeah, the bottom right is our  
18 self-closing door. And then I'll -- which has a  
19 scanner on it so we know only people can enter  
20 that are accessed to that. And there's quite a  
21 bit of -- well, you don't see the security here,  
22 but there's quite a bit there.  
23 Q Let me hand you what's been premarked as  
24 Exhibit 54. Can you identify what's depicted in

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1 Exhibit 54?  
2 A Yes. That's Jeff inside the cage  
3 showing our radio frequency Accumax unit that we  
4 barcode scan the product so we have an accurate  
5 order and -- and know what's in the tote.  
6 And what he's doing is put away, and on  
7 the left you see the scanner above the fire  
8 extinguisher for our -- that opens the door,  
9 allows you access if you have a badge that's  
10 authorized. He's been background checked. I  
11 actually know him from my North Canton days.  
12 And then the middle of that is the  
13 authorization list of the people that can enter  
14 that area and have access. And then if there's a  
15 visitor, like my boss or whatever, it's put on the  
16 restricted area, authorized personnel only log.  
17 And they have to be accompanied.  
18 You can see the -- up above some of the  
19 cameras, et cetera. And that door is  
20 electronically self-closing.  
21 Q Does that fairly and accurately depict  
22 the area that you just described?  
23 A Yes.  
24 Q I'm going to hand you what's been

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1 premarked as Exhibit 55. Describe what -- tell me  
 2 if you identify -- can identify what's in that  
 3 picture.  
 4 A Yes. That's the back area of the cage.  
 5 There is an I-Wash station there too, but above  
 6 that is the motion detectors that go 360 -- well,  
 7 I'm sorry, 180, around, and we have those on every  
 8 corner. And we alarm test every month, and  
 9 everything is brazed bolts. There's a lot of DEA  
 10 regs on that.  
 11 Q Let me show you what's been -- I'm going  
 12 to -- actually, does that fairly and accurately  
 13 depict the area that you just described?  
 14 A Yes.  
 15 Q I'm going to hand you what's been  
 16 premarked as Exhibit 56.  
 17 A Thank you.  
 18 Q Do you recognize what's depicted in  
 19 Exhibit 56?  
 20 A Yes, I do.  
 21 Q What is it?  
 22 A That's our fairly new vault that we put  
 23 in for Class II product. This was approved by the  
 24 DEA, and it's a two-story vault and it's got

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1 cement panels. I don't know if they weld them or  
 2 whatever, but that area has secure steel doors.  
 3 It's a combination lock, self-closing doors. It  
 4 just shows you part of the supply chain that we  
 5 have to make sure everything is secure. So no one  
 6 can go in there unless they're authorized. It has  
 7 the same lists and card readers there.  
 8 Q You -- you indicated this -- well, does  
 9 this fairly and accurately depict the area you  
 10 just described?  
 11 A Yes.  
 12 Q You indicated this is relatively recent.  
 13 What did you have there before?  
 14 A We had two smaller vaults, one story, so  
 15 they were a little tight. And so we upgraded to  
 16 this, and added all kinds of security cameras and  
 17 motion. There's noise sensors. There's heat  
 18 sensors. There's everything we can do to make  
 19 sure that we aren't broken into.  
 20 Q What's the purpose of the heat sensors?  
 21 A Just to make sure if a body is on the  
 22 top, you can detect them. There is a space in  
 23 between there. That's how we test the alarm  
 24 system every month. And when the DEA comes, they

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1 walk through and test every -- every point.  
 2 Q Let me show you what's been premarked as  
 3 Exhibit 57, and ask you to tell me whether you can  
 4 identify that.  
 5 A That's just the side of the vault, and  
 6 it just shows you some of the conduit for the  
 7 security system. Up above there is one of the  
 8 sensors, and I think that's what that depicts  
 9 there.  
 10 Q Does it fairly and accurately depict  
 11 that area you just described?  
 12 A Yes.  
 13 Q I want to show you -- hand you what's  
 14 been premarked as Exhibit 58. Ask you to identify  
 15 or tell me whether you can identify that.  
 16 A Yeah, this is the first access door to  
 17 the Class II narcotic vault. It just shows the  
 18 steel doors and some of the product inside that  
 19 vault.  
 20 Q Does it fairly and accurately depict the  
 21 area you just described?  
 22 A Yes.  
 23 Q What is kept in that vault?  
 24 A Class II narcotic substances. And I

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1 believe the hydrocodone was put in there about '13  
 2 or '14, as I recall.  
 3 Q And when you say '13 or '14, 2013 and  
 4 2014?  
 5 A Yes.  
 6 Q And who has access to this area?  
 7 A The managers. There's a list on the day  
 8 gate, so you have to access that too, and they are  
 9 all self-closing. So there is a list of managers  
 10 and employees, and they're background checked  
 11 every year.  
 12 Q In the almost 20 years that you've  
 13 managed this distribution center, have you ever  
 14 had any theft of opioids?  
 15 A Yes, I have.  
 16 Q When?  
 17 A We had some in 2010, '10 -- '10 to '11.  
 18 And it was a long-term employee, and we called  
 19 security, the DEA, let the police know and  
 20 everything else, and she was terminated.  
 21 Q And what was the volume of product that  
 22 was missing?  
 23 A I -- I never found out exactly. I just  
 24 know we had three 106s, as I recall, for

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1 hydrocodone.

2 Q And what are 106s?

3 A 106 is a loss form that we report to the

4 DEA, not just with our ARCOS, but we also call

5 them and talk to them about it and then send it

6 electronically.

7 Q Let me show you what's been premarked as

8 Exhibit 59. Can you identify what's in Exhibit 59

9 for me?

10 A Yes. This just shows the backside. So

11 you're looking at the opposite side of the vault,

12 so you get a little idea of the distance. And

13 then there's sensors on there, and these are the

14 two roll-about cages that a receiver would put

15 product in and then roll it into the vault area to

16 be double-checked under camera.

17 Q Does this fairly and accurately depict

18 the area you just described along with these

19 cages?

20 A Yes.

21 Q I show you what's been premarked as

22 Exhibit 60. Ask you to identify what's depicted

23 there, if you can.

24 A That's some of our security cameras that

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1 was -- Dale took that picture. It just shows some

2 of our -- I believe they're called 360s. I'm not

3 an expert. But these cameras would show if there

4 is any pilferage or tampering, et cetera. Also

5 shows if there's a problem with something, so I

6 would see that with these cameras, and we keep

7 that data.

8 Q And where exactly are we looking? Is

9 this --

10 A This is just down one aisle of the cage.

11 So you didn't see that from up top, but this is

12 one aisle in the cage probably as you came in,

13 past where Jeff was on the other picture.

14 Q And does it fairly and accurately depict

15 the area you just described?

16 A Yes, it does.

17 Q I'm showing you what's been premarked as

18 Exhibit 61. Please tell me whether you can

19 identify this area for me.

20 A This shows some of the security inside

21 the vault. So I'll just direct your attention to

22 the automation that shows a tote is sealed under

23 camera. And every controlled substance goes into

24 a security bag that's sealed under camera. So

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1 every tote has a security bag sealed to avoid

2 tampering, and then that tote is tied with a

3 plastic tote tie, here in the vault, and it's sent

4 out into the shipping areas and it's commingled,

5 so you really don't know what a controlled

6 substance is inside. So all that's scanned.

7 Also I can tell realtime every tote and every

8 piece that is scanned on my system.

9 Q What do you mean by a tote?

10 A That's the container for the controlled

11 substances.

12 Q And I don't recall if I already asked

13 you, but does this fairly and accurately depict

14 the area you just described?

15 A Yes.

16 Q I'm showing you what's been premarked as

17 Exhibit 62. Ask you to identify what's depicted

18 in Exhibit 62.

19 A Yeah, this is our MAXPRO camera system.

20 It's just a typical view for our security system.

21 So it's important that we have access anywhere we

22 have a laptop availability, and we have access to

23 this. There's over 130 cameras in the

24 distribution center, and we do a report out as

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1 part of our auditing for scope and purpose, and

2 then that's reviewed by the DEA.

3 So this was, I believe, Dale's laptop.

4 So there's a lot more camera footage you can tell.

5 Even the parking lot is -- is -- we have a fence

6 around the outside of the parking lot, and we have

7 badge access only, so we know who came and went,

8 and et cetera.

9 Q Other than that one occasion I think you

10 said in 2010 where you had an employee that was

11 involved in some theft, have you ever had any

12 other type of incident at your distribution

13 center?

14 A Yes, we had -- up in Cleveland, someone

15 approached one of the drivers with a gun, and he

16 actually yelled for them to get out, and they

17 actually did. But they asked him to open the back

18 of his truck, which is always locked, and produce

19 the totes. And he actually used to run a

20 Mini-Mart is how he did that.

21 And I know that because our delivery

22 service has worked for me for almost 40 years, and

23 it's a dedicated delivery service, and no other

24 wholesaler has that. And these guys carry

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1 scanners so they can scan the totes. We know when  
 2 they bring them back how many totes were  
 3 delivered. They call if there's an error, they  
 4 had ten instead of nine. So we investigate that,  
 5 et cetera. But the drivers have been dedicated  
 6 service only for McKesson totes, which I think is  
 7 a differentiator for us.

8 Q Do you see any totes in this Exhibit --  
 9 is it 62?

10 A Yes. That top left, you see -- I can't  
 11 tell if that's the bio box or the -- yeah, it is  
 12 the bio. There's totes lined up there that are  
 13 getting ready to fill orders. So they're maroon  
 14 totes, and they're all sealed with -- bless you --  
 15 they're sealed with a plastic heat strap.

16 Q And does this fairly and accurately  
 17 depict the -- sort of the various views of the  
 18 cameras?

19 A Yes.

20 Q How long has the distribution center had  
 21 cameras?

22 A Since our inception. And we've had four  
 23 iterations of the security system and updated our  
 24 DVRs. For instance, just last week, we updated

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1 for the WannaCry virus. I don't know what that  
 2 is, but they had to update so that coordinates  
 3 with our security.

4 And we have a separate McKesson, it's  
 5 called GSOC, which is a company that monitors our  
 6 building, and the in-and-out doors, especially on  
 7 the weekends, we call them before we come in to  
 8 make sure everything is secure, because we do --  
 9 there have been hostage situations with other  
 10 wholesalers.

11 Q Do your employees have to be screened to  
 12 handle controlled substances?

13 A Yes. They're background checked, and  
 14 it's a preemployment drug test.

15 Q Are they --

16 A Every year.

17 Q I'm sorry. So preemployment, are they  
 18 given background checks every year then?

19 A If they have access to controls, they  
 20 are.

21 Q Are there standard operating procedures  
 22 that -- that the distribution center complies with  
 23 in its handling of controlled substances?

24 A Yes. We have SOPs that we work with,

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1 and you saw it on some of the audits. The first  
 2 one was called the DOM or -- we call it even  
 3 before that Section 55, but we've always had SOPs  
 4 for handling of controlled substances.

5 (Snider Exhibit No. 63 was marked  
 6 for identification.)

7 BY MR. COLLINS:

8 Q I'm going to hand you what's been  
 9 premarked as Exhibit 63. Ask you to identify that  
 10 for me.

11 A This is the McKesson operations  
 12 manager -- I think I -- we had this before.

13 Q And approximately what period of time  
 14 was this in effect?

15 A This was -- let me see. I'm not sure.  
 16 I'd have to look here. Just a second. (Peruses  
 17 document.)

18 I'm going to guess. My memory was 2000  
 19 to 2006. It might have been changed after that.  
 20 I'm not sure.

21 Q Do your employees undergo any kind of  
 22 training for handling of controlled substances?

23 A Yeah, we do. We do SOPs, and then we  
 24 document the training for everything from door

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1 checks -- that they're going to have a door check  
 2 to the walk test every month, and that they could  
 3 be searched, et cetera.

4 So we also go to SOPs for the handling  
 5 of every controlled substance, how they have to  
 6 keep it under camera, and they actually have a  
 7 camera right above them when they fill or dispense  
 8 product into the security bag. So that helps us  
 9 to make sure the right product is in that bag.

10 Q Does the distribution center communicate  
 11 with local DEA?

12 A Yes.

13 Q How often?

14 A Not as much right now, but they will  
 15 call me. I talked to Patty Robson last week. And  
 16 I also used to talk to Kurt Dittmer quite a bit  
 17 before he retired. And I've known these folks for  
 18 a long time, and I would probably say at least  
 19 twice a month there was some contact.

20 Q Has the DEA -- the local DEA ever given  
 21 you a complaint about the operation of the  
 22 distribution center?

23 MR. BOGLE: Object to form.

24 THE WITNESS: They've never.

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1 BY MR. COLLINS:  
2 Q I'm sorry?  
3 A No, they have never.  
4 Q In earlier questioning by Mr. Bogle, he  
5 mentioned a settlement agreement with the -- the  
6 Justice Department. Do you recall that?  
7 A Yes.  
8 Q Do you know if the New Castle  
9 Distribution Center was mentioned in that  
10 settlement agreement?  
11 A I know it was not.  
12 (Snider Exhibit No. 64 was marked  
13 for identification.)  
14 BY MR. COLLINS:  
15 Q I'm going to show you what's been  
16 premarked as Exhibit 64.  
17 Do you recognize that document?  
18 A Yes.  
19 Q What is it?  
20 A It's the controlled substance compliance  
21 process.  
22 Q And what's the purpose of this document?  
23 A To make sure the SOPs are followed under  
24 the MOM or manual on the handling of controlled

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1 substances. So this would be how to fill out the  
2 daily transmission to the DEA, how to file the  
3 ARCOS month end, how to do counts.  
4 We count the product every day if it  
5 doesn't match inventory numbers, and we also count  
6 the product every month, and twice a year we count  
7 every piece, including Class IV through V in  
8 there. We just do our biannual inventory last  
9 month.  
10 So it tells us how to do that. It also  
11 tells us how to fill out or how to properly fill  
12 out and check a 222 form, which is what a percent  
13 of our customers still use. It's a three-part  
14 form, and it tells how to do that and how to void  
15 that. We spend a lot of time with that. I prefer  
16 the electronic version called CSOS, but this  
17 explains how to do all of that.  
18 Q I want to talk about the suspicious  
19 order reporting programs you've had in place at  
20 the New Castle Distribution Center. Can you  
21 describe what process you followed starting in  
22 2000 to report suspicious orders?  
23 MR. BOGLE: Object to form. Vague and  
24 overbroad.

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1 THE WITNESS: Yes. Briefly, the first  
2 part, 2000 to 2006, we would fax the DEA unusual  
3 purchase notification log, I think is what the  
4 full name was, DU45. And then we would transmit a  
5 monthly ARCOS, and we've been doing that for all  
6 of my 40 years. So we transmit ARCOS to the DEA.  
7 That's every transaction, automated reporting of  
8 control order system. And we --  
9 BY MR. COLLINS:  
10 Q I'm sorry. How often is that done or  
11 was that done?  
12 A Once a month.  
13 Q And the DU45s, how often were they  
14 transmitted to the DEA?  
15 MR. BOGLE: Object to form.  
16 THE WITNESS: In 2000 to 2006, it was  
17 daily. And then we also sent it monthly, and we  
18 put it in the audit box for the DEA, and retained  
19 it for two years also. So we had that data for  
20 them to look at when they did the audit, and they  
21 did.  
22 BY MR. COLLINS:  
23 Q I want to make sure I'm clear. So you  
24 mentioned basically three reports, correct?

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1 A Yes.  
2 Q The monthly ARCOS data.  
3 A Yes.  
4 Q Every transaction reported to the DEA.  
5 A Yes.  
6 Q Daily DU45.  
7 A Yes.  
8 Q Suspicious order reports faxed to the  
9 DEA.  
10 A Yes.  
11 Q And then monthly, the same thing.  
12 A Monthly suspicious order reports that  
13 were sent. I think --  
14 MR. BOGLE: Object as leading.  
15 BY MR. COLLINS:  
16 Q Let me -- in terms of the timing of  
17 filling orders versus faxing DU45s, can you  
18 explain that, how that occurred?  
19 A Yeah. The early part of the program, it  
20 was kind of reactive. So the order would already  
21 get there. Sometimes we would have it filled and  
22 on the cross dock truck, and then we would get the  
23 DU45 and look at that. So we couldn't be as  
24 proactive, so we sent it to the DEA after the



<p style="text-align: right;">Page 482</p> <p>1 order was filled.</p> <p>2 And then after that, 2007 on, it was</p> <p>3 more proactive was -- was the way I looked at it,</p> <p>4 so that we could maybe stop and take a look at it</p> <p>5 and have the DRAs in place. But during that first</p> <p>6 part of the time, it was -- the data would only</p> <p>7 come after we did the last pull of orders, and we</p> <p>8 may have shipped it, especially if our early</p> <p>9 trucks went out at midnight.</p> <p>10 Q Did there ever come a time where the DEA</p> <p>11 told you to stop sending these daily DU45 reports?</p> <p>12 MR. BOGLE: Object to form. Hearsay.</p> <p>13 THE WITNESS: Yes. They asked us to</p> <p>14 stop faxing them after a little bit. Kurt Dittmer</p> <p>15 called me. And I asked him to put it in writing,</p> <p>16 because I knew that, and he did send me an e-mail</p> <p>17 about that. He said the monthly suspicious order</p> <p>18 reports were enough, and he would accept that.</p> <p>19 BY MR. COLLINS:</p> <p>20 Q And do you remember approximately when</p> <p>21 that occurred?</p> <p>22 A No, I don't. 2004, 2005. I'm not sure.</p> <p>23 Q And what was his explanation?</p> <p>24 A That they had enough data --</p>	<p style="text-align: right;">Page 484</p> <p>1 Q When the New Castle Distribution Center</p> <p>2 first became operational in 2000, did you have</p> <p>3 access to customer information in terms of who</p> <p>4 else was supplying them?</p> <p>5 A No, I didn't.</p> <p>6 MR. BOGLE: Object to form.</p> <p>7 BY MR. COLLINS:</p> <p>8 Q Do you have that now?</p> <p>9 A The DRAs have all the access to that,</p> <p>10 yes.</p> <p>11 Q And when did that start?</p> <p>12 A I'm -- I'm not sure if that was 2008,</p> <p>13 but -- with the Lifestyle drugs, but I know that</p> <p>14 the fact that they could see the wholesalers'</p> <p>15 information, I think Izzy told me it was just</p> <p>16 within the last few years.</p> <p>17 (Snider Exhibit No. 66 was marked</p> <p>18 for identification.)</p> <p>19 BY MR. COLLINS:</p> <p>20 Q I'm going to show you what's been now</p> <p>21 premarked as Exhibit 66, and ask you to identify</p> <p>22 it for me.</p> <p>23 What is Exhibit 66?</p> <p>24 A It looks like an update of the ARCOS</p>
<p style="text-align: right;">Page 483</p> <p>1 MR. BOGLE: Object to form.</p> <p>2 THE WITNESS: -- with the monthly</p> <p>3 suspicious order reports.</p> <p>4 (Snider Exhibit No. 65 was marked</p> <p>5 for identification.)</p> <p>6 BY MR. COLLINS:</p> <p>7 Q I'm going to hand you what's been marked</p> <p>8 as Exhibit 65, and ask you to identify it for me,</p> <p>9 please.</p> <p>10 A It's a MOM manual.</p> <p>11 Q I'm sorry. Can you -- can you explain</p> <p>12 that?</p> <p>13 A McKesson Operation Manual from, it looks</p> <p>14 like, 2013. We did an update.</p> <p>15 Q What's the purpose?</p> <p>16 A This changed the way we did the -- not</p> <p>17 the daily ARCOS procedure, but the month end and</p> <p>18 the DEA error report notices, and I believe that</p> <p>19 sent it all electronic. And some of this is a</p> <p>20 little bit technical, but we would send every day</p> <p>21 the reports to the DEA.</p> <p>22 Q When did you start doing it daily?</p> <p>23 A Well, this says 2013, electronically,</p> <p>24 but I'm not sure.</p>	<p style="text-align: right;">Page 485</p> <p>1 manual, 2014. I'm not sure of that date, but</p> <p>2 that's what it looks like. This shows how to</p> <p>3 count the ARCOS.</p> <p>4 Q Can you tell me how your role as a</p> <p>5 manager or director of operations of a</p> <p>6 distribution center has changed since the opening</p> <p>7 of the distribution center over time with respect</p> <p>8 to handling and monitoring of controlled</p> <p>9 substances?</p> <p>10 MR. BOGLE: Object to form, vague and</p> <p>11 ambiguous.</p> <p>12 THE WITNESS: Just some of the things</p> <p>13 that I can mention. We've upgraded all the</p> <p>14 security systems. We've actually changed the way</p> <p>15 we do totes. We used to identify them as a</p> <p>16 controlled substance and put them on the back of</p> <p>17 the truck, and we stopped doing that years ago.</p> <p>18 And also as far as the way we handle</p> <p>19 controls, it's a lot more data driven. The</p> <p>20 director of Regulatory Affairs, especially for</p> <p>21 national accounts, because I wasn't always privy</p> <p>22 to that data, so they had a lot of data that they</p> <p>23 could see, and when they started getting the</p> <p>24 script information, it was very helpful to them to</p>

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1 make the decision on the customer.  
 2 BY MR. COLLINS:  
 3 Q What do you mean by "script  
 4 information"?  
 5 A That was part of the -- after the LDMP,  
 6 the CSMP, to get script information from the  
 7 customer for, I think it was, three months.  
 8 Without the HIPAA or the people's information,  
 9 just the amounts. So it would actually say what  
 10 kind of doctor -- what doctor prescribes what --  
 11 what pills.  
 12 Q You've mentioned the director of  
 13 Regulatory Affairs a number of times. What's his  
 14 or her role?  
 15 MR. BOGLE: Object to form.  
 16 THE WITNESS: They're vetting out the  
 17 regulations and the customers that we either  
 18 onboard or sell to.  
 19 BY MR. COLLINS:  
 20 Q Given your almost four decades of  
 21 experience with McKesson, including almost 20  
 22 years as the director of operations of the New  
 23 Castle Distribution Center, what do you think  
 24 about all of these allegations about McKesson

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1 fueling the opioid crisis?  
 2 MR. BOGLE: Object to form.  
 3 THE WITNESS: I spent most of my life in  
 4 Summit County. I know Cuyahoga County. I'm  
 5 probably the last Browns' fan you'll ever meet.  
 6 So it means a lot to me, and I would never do  
 7 anything willingly to create an opiate crisis.  
 8 I -- I feel it is terrible and I feel bad for it,  
 9 but I don't say that I caused it at -- at New  
 10 Castle.  
 11 BY MR. COLLINS:  
 12 Q Besides your handling of distribution of  
 13 pharmaceuticals in a routine way, are you aware of  
 14 any other things that you've done as a head of  
 15 operations at the distribution center --  
 16 MR. BOGLE: Object.  
 17 BY MR. COLLINS:  
 18 Q -- that would impact the community?  
 19 MR. BOGLE: Object to form.  
 20 THE WITNESS: Yeah, I guess that's where  
 21 I say about some of the things we do.  
 22 I know in -- I think it was Summit  
 23 County, Stark County, there was a meningitis  
 24 outbreak several years ago, and one of the high

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1 school kids, one or two of them died, and so we  
 2 had to provide the antidote or the medicine for  
 3 that. And I called in helicopters, and they  
 4 landed in the parking lot and they distributed to  
 5 the County Board of Health, I believe it was, and  
 6 one of the hospitals. And that's kind of what we  
 7 do.  
 8 I also -- just recently one of my  
 9 managers from UPMC Pittsburgh Hospital, they had a  
 10 snake bite, and they must have been in central PA.  
 11 I'm not sure how that happened. But we -- he  
 12 didn't know if the courier could get there quick  
 13 enough, so he grabbed it and drove it down  
 14 himself, and that saved the kid.  
 15 And then we were in McKesson Today for  
 16 New Castle recently for the Washington Courthouse  
 17 distribution center in Ohio that we provided and  
 18 had a life-saving medicine, and my manager drove  
 19 it halfway, they had someone pick it up, and it  
 20 saved the patient. It was a mother who was  
 21 pregnant and needed this medicine to save the  
 22 baby, and I know that's what we did.  
 23 It was written up in the McKesson Today,  
 24 et cetera, and Bev did most of the work. I just

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1 was standing there. But that's the kind of thing  
 2 we do that I wanted to make sure I got on the  
 3 record.  
 4 MR. COLLINS: I have no further  
 5 questions. You want to switch?  
 6 MR. BOGLE: Yeah, just give me a couple  
 7 of minutes.  
 8 THE VIDEOGRAPHER: The time is 5:55 p.m.  
 9 We're going off the record.  
 10 (Recess.)  
 11 THE VIDEOGRAPHER: The time is 6:02  
 12 p.m., and we're back on the record.  
 13 RE-CROSS-EXAMINATION  
 14 BY MR. BOGLE:  
 15 Q All right. Mr. Snider, I have a few  
 16 follow-up questions for you.  
 17 You made reference to opioids being  
 18 2 percent of the overall volume at your  
 19 distribution center. Do you recall that  
 20 testimony?  
 21 A Yes. At one time, yes.  
 22 Q Yeah, that number has not been stagnant,  
 23 right? For example, when you started in 2000,  
 24 that number increased over time, didn't it?

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1 MR. COLLINS: Objection. Vague.  
2 THE WITNESS: Over time, yes, it did.  
3 BY MR. BOGLE:  
4 Q Right. So when you say that opioids  
5 were 2 percent of the total volume at New Castle,  
6 you're not representing to our jury that that was  
7 true for the entire period of 2008 -- or 2000 to  
8 present, right?  
9 A No. I just got the data from present.  
10 Q From today?  
11 A Recently.  
12 Q Right. So, for example, you have the  
13 2018 data is what you're talking about.  
14 A Yes.  
15 Q Okay. And it was higher than that, for  
16 example, in 2010.  
17 A I don't -- I don't know that, what it  
18 was.  
19 Q You don't know. So you didn't check  
20 anything other than 2018.  
21 A Correct.  
22 Q Okay. You provided some -- some  
23 testimony about -- to the effect that the DEA has  
24 never had any complaints about any activities

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1 involving New Castle. Is that right?  
2 A Yes.  
3 Q Okay. Have you reviewed any of the DEA  
4 and DOJ letters that led to the -- the \$150  
5 million settlement agreement?  
6 A I looked at them, yes, briefly.  
7 Q Did you just look at the settlement  
8 agreement, or did you look at any of the internal  
9 letters that led up to that?  
10 A I looked at the distribution centers  
11 listed.  
12 Q Okay. Did you review the letters in  
13 detail beyond that?  
14 A No.  
15 Q Okay. So, for example, if the -- some  
16 of the letters from the DEA indicate that they  
17 found nationwide and systemic violations regarding  
18 controlled substance monitoring at McKesson,  
19 that's something you were not aware of when you  
20 provided that testimony, right?  
21 MR. COLLINS: Objection. Assumes facts  
22 not in evidence. Lack of foundation.  
23 BY MR. BOGLE:  
24 Q Right?

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1 A Can you ask me -- I'm not sure what you  
2 mean by --  
3 Q Sure.  
4 A -- "provided that testimony."  
5 Q You provided testimony there's been no  
6 complaints about -- about New Castle from the DEA.  
7 A Yes.  
8 Q And my question to you was, did you  
9 review any of these letters from the DEA to assess  
10 whether they made any comments about the fact that  
11 they found nationwide and systemic violations as  
12 to McKesson's suspicious order monitoring  
13 programs?  
14 MR. COLLINS: Object to form.  
15 THE WITNESS: I did not discuss it with  
16 the DEA.  
17 BY MR. BOGLE:  
18 Q No, I'm talking about in the letters.  
19 Did you see that in the letters anywhere?  
20 MR. COLLINS: Objection. I'm not  
21 sure --  
22 BY MR. BOGLE:  
23 Q All right. Let's just take a look at  
24 one.

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1 A No, I didn't.  
2 Q Okay. Let's take a look at one.  
3 A I thought you said did I review it with  
4 the DEA. That's what I heard.  
5 Q All right. That's fine.  
6 (Snider Exhibit No. 67 was marked  
7 for identification.)  
8 BY MR. BOGLE:  
9 Q Exhibit 67, I'm going to hand you here,  
10 also marked as 1.1443.  
11 This is a letter from U.S. Department of  
12 Justice, Drug Enforcement Administration, dated  
13 November 4, 2014. Do you see that?  
14 A Yes, I do.  
15 Q Okay. It's sent to a Geoffrey Hobart at  
16 Covington & Burling. Do you see that?  
17 A Yes.  
18 Q Okay. And that's the same firm that's  
19 also representing you here today, right?  
20 A Yes.  
21 Q Okay. And if you look at this letter,  
22 I'm going to page 2 in the letter. And I'm on the  
23 fourth paragraph.  
24 And it says: "In order to release all

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1 McKesson-owned DEA registrants from administrative  
 2 liability as you have requested, the agreed-upon  
 3 registration consequences must reflect not only  
 4 the gravity of the offenses but the nationwide  
 5 scope of McKesson's failure to report suspicious  
 6 orders and to maintain effective controls against  
 7 diversion."  
 8 Do you see that?  
 9 A Yes.  
 10 Q Okay. When you looked through the DEA  
 11 correspondence prior to testifying today, do you  
 12 recall reading that statement?  
 13 MR. COLLINS: Objection. Lack of  
 14 foundation. Form.  
 15 THE WITNESS: No, I don't.  
 16 BY MR. BOGLE:  
 17 Q You don't. Okay.  
 18 And if you go to page 5 of the letter,  
 19 the first full paragraph, it says: "As noted  
 20 above, the above examples are illustrative, not  
 21 exhaustive. They are meant to illustrate what we  
 22 mean when we say that we will be driven by the  
 23 evidence that we could present in administrative  
 24 proceedings against these registrants. We have

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1 attempted to highlight this evidence in hopes that  
 2 you and your client can fully understand why DEA  
 3 believes that the failings at McKesson were  
 4 system -- systemic as they were serious."  
 5 Do you see that?  
 6 A Yes.  
 7 Q Okay. Do you recall seeing that in the  
 8 letter that you reviewed?  
 9 MR. COLLINS: Objection. Asked and  
 10 answered.  
 11 THE WITNESS: No.  
 12 BY MR. BOGLE:  
 13 Q You reviewed quite a few photos of the  
 14 New Castle Distribution Center. Do you recall  
 15 that?  
 16 A Yes.  
 17 Q Okay. Now, those photos all pertain to  
 18 security measures contained within your facility  
 19 at New Castle, right?  
 20 A Yes.  
 21 Q Okay. None of those photos pertain to  
 22 anything that involved trying to make sure that  
 23 the controlled substances once they are sold get  
 24 into the right hands, right?

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1 A No. Except for the security bags and  
 2 the sealed totes.  
 3 Q To make sure your drivers don't get  
 4 robbed, right?  
 5 A Or to make sure that the pharmacist  
 6 opens it behind the pharmacy and scans the product  
 7 with -- to make sure it's the right stuff.  
 8 Q To make sure the pharmacist doesn't get  
 9 robbed.  
 10 A Or make sure it doesn't get pilfered.  
 11 Q When you say "pilfered," what do you  
 12 mean?  
 13 A The stuff is in a security bag from us,  
 14 and I just wanted to make that clear that it's  
 15 another layer of security that we put in there so  
 16 that the pharmacist has to open the bag. It can't  
 17 be tampered with.  
 18 Q You talked too about these -- these  
 19 totes that the controlled substances are carried  
 20 in. Do you recall discussing that generally?  
 21 A Yes.  
 22 Q And I think you said something about  
 23 having dedicated drivers delivering these totes,  
 24 and that was something that you thought

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1 differentiated McKesson from other wholesalers.  
 2 Am I summarizing that fairly?  
 3 A Yes.  
 4 Q Okay. Now, you've had at New Castle  
 5 problems with lost totes that carried controlled  
 6 substances in them, right?  
 7 MR. COLLINS: Objection. Form.  
 8 THE WITNESS: No.  
 9 BY MR. BOGLE:  
 10 Q You've never lost a tote?  
 11 A I didn't say that. We don't have a  
 12 problem with it.  
 13 Q Okay. Well, we talked about Giant  
 14 Eagle, for example, earlier, right, and you recall  
 15 back in 2014 losing several totes that included  
 16 controlled substances for deliveries to Giant  
 17 Eagle, right?  
 18 A No, I don't.  
 19 Q You don't?  
 20 A Nope.  
 21 Q Okay. All right.  
 22 (Snider Exhibit No. 68 was marked  
 23 for identification.)  
 24 BY MR. BOGLE:

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1 Q I'm going to hand you Exhibit 68, also  
2 marked as 1.1878.  
3 Looking at the e-mail on the bottom  
4 of the first page, it's from a Barbara Simpson,  
5 April 23rd, 2014, to several individuals,  
6 including you, right?  
7 A Yes.  
8 Q Titled "Missing HBC Tote." Do you see  
9 that?  
10 A Yes.  
11 Q What is HBC?  
12 A That's not our tote. That's a Giant  
13 Eagle tote that the delivery service delivers for  
14 them, and we don't handle it. It's the -- it's  
15 their warehouse.  
16 Q So you guys deliver for HBC for their  
17 materials, is that what you're saying?  
18 A I don't. The delivery service does.  
19 Q Right. So -- so the delivery service,  
20 you're saying -- your testimony is that they've  
21 lost HBC's totes but not McKesson's?  
22 A I don't even know that they lost an HBC  
23 tote. It doesn't say whose fault it was. But  
24 this wasn't our tote. It was a Giant Eagle tote.

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1 They have their own warehouse, and they have their  
2 own control system, et cetera, and I'm --  
3 Q These are the same --  
4 A -- I'm not involved with it.  
5 Q Sorry. These are the same delivery  
6 drivers that deliver McKesson totes, right?  
7 MR. COLLINS: Objection. Misrep- --  
8 mischaracterization.  
9 THE WITNESS: Yes, they deliver for  
10 Giant Eagle.  
11 BY MR. BOGLE:  
12 Q And you're aware of the circumstance  
13 back in 2014 where two totes were lost, right?  
14 A No.  
15 Q That contained controlled substances.  
16 A If you give me time to read it, I will.  
17 I'm not -- it's HBC --  
18 Q Sure. It's a one-page e-mail. Go  
19 ahead.  
20 A Sorry, there's other pages here. Okay.  
21 (Peruses document.)  
22 This -- this doesn't record that the  
23 delivery service lost any totes. It's recording  
24 that this -- Giant Eagle reported missing. So

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1 their manifest wasn't correct on that.  
2 Q Okay. It does report missing totes,  
3 right?  
4 MR. COLLINS: Objection.  
5 Mischaracterization of his --  
6 THE WITNESS: It does not.  
7 MR. COLLINS: -- testimony.  
8 BY MR. BOGLE:  
9 Q It does not report where the totes are  
10 missing?  
11 A No.  
12 Q Okay. So when the e-mail talks about  
13 missing HBC totes, they're not talking about  
14 missing totes?  
15 A They're talking about missing totes, but  
16 it doesn't report it. This isn't a 106 or a lost  
17 form to the DEA.  
18 Q Right. But this whole e-mail discussion  
19 is about missing totes, right?  
20 MR. COLLINS: Objection. Lack of  
21 foundation.  
22 THE WITNESS: Yes, from -- from someone  
23 else.  
24 BY MR. BOGLE:

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1 Q Right. But it's -- it's certainly these  
2 delivery drivers -- either delivery drivers or HBC  
3 that lost these totes. We can agree on that,  
4 right?  
5 A Yes.  
6 Q Okay.  
7 A Also there's no manifest to show that.  
8 So the -- I'm sure that Greg Carlson and the Giant  
9 Eagle folks reported that to the DEA, that they  
10 have missing totes, or I don't even know that they  
11 found them at another store or where --  
12 Q Right. You don't know either way,  
13 right?  
14 A No.  
15 Q But you do agree with me this discusses  
16 missing totes?  
17 MR. COLLINS: Objection. The question  
18 is vague.  
19 BY MR. BOGLE:  
20 Q Right?  
21 A Yeah.  
22 MR. COLLINS: The question is vague.  
23 BY MR. BOGLE:  
24 Q Now, you talked about McKesson always



<p style="text-align: right;">Page 502</p> <p>1 having standard operating procedures for 2 controlled substances. 3 Do you recall testifying to that a few 4 minutes ago? 5 A Yes. 6 Q Okay. And so I think I asked you a 7 similar question in my exam. You have no idea 8 what was in place prior to 2000, do you? 9 MR. COLLINS: Objection. Vague, form. 10 THE WITNESS: I don't recall. There was 11 a 55 manual, Section 55. That's what I recall. 12 BY MR. BOGLE: 13 Q Right. And we looked at that actually 14 at the very beginning of the exam that was dated 15 July 2000, right? 16 A Yes. 17 Q So you have no idea whether any standard 18 operating procedure existed prior to that manual 19 in July of 2000, do you? 20 MR. COLLINS: Objection. Asked and 21 answered. 22 THE WITNESS: I know there was one in 23 '97 for sure. 24 BY MR. BOGLE:</p>	<p style="text-align: right;">Page 504</p> <p>1 A Yes. 2 Q Do you have any documentary proof of 3 that today? 4 A I don't have the e-mail. He actually 5 put it in writing for me. 6 Q But you don't have that, right? 7 A No, not from two -- whatever year that 8 was. 9 Q So we don't have any way to verify by 10 documentation either of those statements, do we? 11 MR. COLLINS: Objection. It's a 12 mischaracterization. You can ask the DEA. 13 THE WITNESS: From Kurt Dittmer would be 14 the only way to verify that. 15 BY MR. BOGLE: 16 Q We don't have any documentary evidence 17 that you can provide us as to providing reports 18 from 2000 to 2006, number one, right? 19 A Number one? 20 Q First thing. You can't point me to any 21 documents that show that you actually did what you 22 said you did? 23 A No, I don't have those e-mails from 2004 24 or whatever year it was.</p>
<p style="text-align: right;">Page 503</p> <p>1 Q There was one in '97? 2 A Yes. That's what I recall. 3 Q Okay. And how did that differ from the 4 2000 version? 5 A I don't know. 6 Q Okay. What was that one titled? 7 A Probably DOM or Operations Manual. We 8 didn't use the word SOPs back then. 9 Q Okay. Have you seen any copies of that 10 SOP? Because we've asked for all of them and we 11 didn't get anything prior to 2000. 12 A No, I didn't. 13 Q Okay. Now, you said that there were 14 reports sent to the DEA, unusual order reports, I 15 think you called them, from 2000 to 2006. Do you 16 recall that? 17 A Yes. 18 Q Do you have any documentary proof of 19 that at this point in time? 20 A No. 21 Q And you also said that at some point in 22 time, the D -- a DEA agent told you on the phone 23 that he didn't want daily unusual reports anymore. 24 Do you recall that?</p>	<p style="text-align: right;">Page 505</p> <p>1 Q And you don't -- and you don't have any 2 e-mail that you can show me or to the jury or to 3 anybody else about the DEA agent specifically 4 calling you and telling you that you didn't need 5 to provide daily reports anymore, correct? 6 A I don't have that. 7 Q You were asked about obtaining data from 8 other -- strike that. 9 You talked about being able to obtain 10 data regarding your customers receiving controlled 11 substances from other manufacture -- other -- 12 other wholesalers. Do you recall that? 13 A Yes. 14 Q And you talked about when you thought 15 that was available, and I won't go back into the 16 exact years, but you recall talking about a 17 timeline -- 18 A Yes. 19 Q -- when you thought that was available, 20 right? 21 A Yes. 22 Q The bottom line is, McKesson at all 23 times was able to ask the customer for that data, 24 right?</p>

<p style="text-align: right;">Page 506</p> <p>1 MR. COLLINS: Objection. Compound, 2 argumentative. 3 THE WITNESS: I don't know that. 4 BY MR. BOGLE: 5 Q You don't know whether McKesson at all 6 times could ask their own customers, Listen, give 7 me all of the drugs that you're getting from all 8 the wholesalers, give me proof of that, I want to 9 see? 10 A From 2000 on, I don't know that -- if 11 that was legally feasible. 12 Q Legally feasible? 13 A Yeah, I don't know -- 14 Q You've asked -- 15 A -- if we could legally give them the 16 other wholesalers' information. 17 Q Do you recall anybody ever asking, that 18 you were aware of? 19 MR. COLLINS: Objection to form. 20 THE WITNESS: Yes. 21 BY MR. BOGLE: 22 Q You recall somebody asking for it? 23 A Yes. 24 Q And somebody saying that was legally not</p>	<p style="text-align: right;">Page 508</p> <p>1 that? 2 A Yes. 3 Q Okay. Now, the fact of the matter is 4 for Summit County, there were no blocked orders 5 from January 2006 to May 2008 for McKesson for 6 Summit County pharmacies, were there? 7 MR. COLLINS: Object to the term 8 "blocked orders." Vague. Form. 9 THE WITNESS: Can you explain "blocked 10 orders"? Unusual purchases? 11 BY MR. BOGLE: 12 Q No, what I'm asking is, if a customer 13 from 2006 to mid-2008 from Cuyahoga County made an 14 order for a controlled substance, they got that 15 order, and those orders were not stopped or 16 blocked or ceased, right? 17 A No -- no, they were blocked, stopped or 18 ceased. 19 Q Okay. Well, let's take a look at Summit 20 County here. 21 This is a summary of -- on the first 22 page -- of the information that's been provided to 23 us about blocked orders from Summit County. 24 Exhibit 69.</p>
<p style="text-align: right;">Page 507</p> <p>1 possible? 2 A No. 3 Q Okay. So -- but what you do know is you 4 guys can get it today, right? 5 A I -- yes, as he showed me. 6 Q Any -- are you aware of any changes to 7 the laws that would allow it today that didn't 8 exist before? 9 MR. COLLINS: Objection. Calls for a 10 legal conclusion, among other things. 11 THE WITNESS: I don't know anything 12 about the laws, no, right now on that. 13 BY MR. BOGLE: 14 Q Okay. Well, you talked about the fact 15 that you guys could get it. I'm just trying to 16 follow up on that. 17 A It depends -- 18 MR. COLLINS: I'm sorry, is that -- I'm 19 not sure that's a question. 20 MR. BOGLE: No, it's not. It's just a 21 comment. 22 BY MR. BOGLE: 23 Q Now, you talked about blocked orders and 24 suspicious order reports generally. Do you recall</p>	<p style="text-align: right;">Page 509</p> <p>1 (Snider Exhibit No. 69 was marked 2 for identification.) 3 BY MR. BOGLE: 4 Q So this is what was produced to us as 5 far as blocked orders from Summit County or 6 stopped orders. 7 Do you see on the first page -- this is 8 from January 1, 2006, on. Do you see the first 9 blocked or stopped order that appears on this 10 spreadsheet on page 2 is from June 18, 2008, for a 11 Summit County pharmacy? Do you see that? 12 A Yes. I have no idea what this document 13 is. It doesn't even have attribution. 14 Q This is what was provided to us when we 15 asked for evidence of stopped orders. This is 16 what was provided by McKesson. 17 A I don't -- I don't know that. 18 Q Okay. So you're saying this is wrong? 19 A No. 20 MR. COLLINS: No. Objection. That's a 21 total mischaracterization of his answer. He said 22 he doesn't know what this document is. 23 THE WITNESS: I don't know anything 24 about this document.</p>

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1 BY MR. BOGLE:  
2 Q Okay. So if what was produced to us  
3 supports the notion that there were no blocked  
4 or stopped orders from January 1, 2006, until  
5 June 17, 2008, into Summit County from McKesson,  
6 do you have any reason to dispute the accuracy of  
7 that finding?  
8 MR. COLLINS: Objection. Assumes facts  
9 not in evidence, lack of foundation.  
10 THE WITNESS: Yes, I don't know.  
11 BY MR. BOGLE:  
12 Q You don't know.  
13 A Correct.  
14 Q Okay. So -- and this report as well  
15 indicates that the first report to the DEA of a  
16 blocked order occurred August 1st, 2013, for a  
17 Summit County pharmacy, and that's on page .10.  
18 You see there's a "DEA reported date"  
19 column there, and you see it's blank on all pages  
20 leading up to .10 until you get to August 1, 2013.  
21 A I can testify --  
22 MR. COLLINS: I'm sorry. I'm not sure  
23 if there's a question. He's just --  
24 BY MR. BOGLE:

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1 Q Yeah, I'm introducing the information to  
2 you.  
3 A Okay.  
4 Q You see there's a "DEA reported date"  
5 column. The first date entry is on page 10 for a  
6 blocked order that was reported to the DEA,  
7 August 1st, 2013, for a Summit County pharmacy.  
8 Do you see that?  
9 A I don't know what that is, and I don't  
10 know -- it doesn't say blocked order. It says  
11 Acme Pharmacy.  
12 Q This was represented to us by McKesson  
13 this was their blocked order reports for Summit  
14 County.  
15 MR. COLLINS: Objection. Lack of  
16 foundation what this --  
17 BY MR. BOGLE:  
18 Q So you don't know what this report is  
19 even about?  
20 MR. COLLINS: I'm sorry, let me finish  
21 my objection. Lack of foundation. You haven't  
22 established this witness's knowledge as to what  
23 this document --  
24 BY MR. BOGLE:

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1 Q Geez, it should, man. I mean, you don't  
2 know when orders were blocked from your  
3 distribution center?  
4 MR. COLLINS: You don't have to answer  
5 that.  
6 BY MR. BOGLE:  
7 Q No, you do. You don't know that?  
8 MR. COLLINS: Actually -- actually, lack  
9 of foundation. You haven't established this  
10 witness has any knowledge about this document. He  
11 keeps telling you he doesn't know anything about  
12 the document, and you keep asking him questions  
13 about a document he doesn't know anything about.  
14 THE WITNESS: I don't know anything  
15 about this document, and you say it's a blocked  
16 item document, and this cover page is on it, but  
17 I've never seen this before.  
18 BY MR. BOGLE:  
19 Q I put the cover page on there.  
20 Everything else --  
21 A Oh --  
22 Q -- is provided to us by --  
23 A -- I did not know that.  
24 Q That's a summary of the data included in

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1 there.  
2 A If you say so, but I don't -- can't  
3 testify to that.  
4 Q Okay. You have no reason to dispute the  
5 accuracy of either of those statements, do you, on  
6 the first page?  
7 MR. COLLINS: Objection. Lack of  
8 foundation.  
9 BY MR. BOGLE:  
10 Q Do you?  
11 MR. COLLINS: Objection. Lack of  
12 foundation.  
13 THE WITNESS: I don't trust what you put  
14 on here.  
15 BY MR. BOGLE:  
16 Q You don't trust what I put on there?  
17 A No.  
18 Q Show me where I'm wrong in the document.  
19 A I don't know the document.  
20 Q Okay. You don't have any idea, right?  
21 MR. COLLINS: Objection. Argumentative.  
22 MR. BOGLE: No further questions.  
23 MR. COLLINS: Actually I have a couple  
24 of follow-ups.

<p>Page 514</p> <p>1 REDIRECT EXAMINATION</p> <p>2 BY MR. COLLINS:</p> <p>3 Q Exhibit 67, can you pull it out.</p> <p>4 Mr. Bogle asked you about this</p> <p>5 correspondence between the DEA and Mr. Hobart.</p> <p>6 Can you look through it and see if you see the</p> <p>7 New Castle name mentioned anywhere in this</p> <p>8 document?</p> <p>9 A I was kind of looking through that. I</p> <p>10 think I saw Colorado. I didn't see New Castle</p> <p>11 anywhere.</p> <p>12 Q All right, Exhibit 68, Mr. Bogle</p> <p>13 questioned you about this allegedly lost tote.</p> <p>14 Did McKesson ever lose any totes in</p> <p>15 connection with servicing whatever customer this</p> <p>16 is?</p> <p>17 A No.</p> <p>18 Q Do you have any idea what this -- what</p> <p>19 is being discussed in this e-mail?</p> <p>20 A This is --</p> <p>21 MR. BOGLE: Object to form.</p> <p>22 THE WITNESS: This is their Giant Eagle</p> <p>23 warehouse that they contracted with SSD to fill --</p> <p>24 to deliver orders, and their due diligence would</p>	<p>Page 516</p> <p>1 (Whereupon, the deposition of</p> <p>2 BLAINE M. SNIDER was concluded</p> <p>3 at 6:23 p.m.)</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p>Page 515</p> <p>1 have been their manifest.</p> <p>2 But Barb is trying to find out because</p> <p>3 she's doing due diligence to make sure controls</p> <p>4 don't get out on the street.</p> <p>5 BY MR. BOGLE:</p> <p>6 Q Does this document reflect that McKesson</p> <p>7 lost totes?</p> <p>8 A No.</p> <p>9 MR. BOGLE: Object to form.</p> <p>10 MR. COLLINS: No further questions.</p> <p>11 MR. BOGLE: All right, we're done.</p> <p>12 THE VIDEOGRAPHER: All right. The time</p> <p>13 is -- sorry, anything else?</p> <p>14 MR. BOGLE: No, I'm good.</p> <p>15 MR. COLLINS: We're good.</p> <p>16 THE VIDEOGRAPHER: Anybody on the phone</p> <p>17 either?</p> <p>18 I just want to make sure --</p> <p>19 MR. COLLINS: I didn't even know -- was</p> <p>20 there anybody participating by phone?</p> <p>21 THE VIDEOGRAPHER: The time is</p> <p>22 6:23 p.m., November 8, 2018.</p> <p>23 Going off the record, completing the</p> <p>24 videotaped deposition.</p>	<p>Page 517</p> <p>1 CERTIFICATE OF CERTIFIED SHORTHAND REPORTER</p> <p>2 The undersigned Certified Shorthand Reporter</p> <p>3 does hereby certify:</p> <p>4 That the foregoing proceeding was taken before</p> <p>5 me at the time and place therein set forth, at</p> <p>6 which time the witness was duly sworn; That the</p> <p>7 testimony of the witness and all objections made</p> <p>8 at the time of the examination were recorded</p> <p>9 stenographically by me and were thereafter</p> <p>10 transcribed, said transcript being a true and</p> <p>11 correct copy of my shorthand notes thereof; That</p> <p>12 the dismantling of the original transcript will</p> <p>13 void the reporter's certificate.</p> <p>14 In witness thereof, I have subscribed my name</p> <p>15 this date: November 13, 2018.</p> <p>16</p> <p>17 _____</p> <p>18 LESLIE A. TODD, CSR, RPR</p> <p>19 Certificate No. 5129</p> <p>20 (The foregoing certification of</p> <p>21 this transcript does not apply to any</p> <p>22 reproduction of the same by any means,</p> <p>23 unless under the direct control and/or</p> <p>24 supervision of the certifying reporter.)</p>

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<p>1 INSTRUCTIONS TO WITNESS</p> <p>2 Please read your deposition over carefully and</p> <p>3 make any necessary corrections. You should state</p> <p>4 the reason in the appropriate space on the errata</p> <p>5 sheet for any corrections that are made.</p> <p>6 After doing so, please sign the errata sheet</p> <p>7 and date it.</p> <p>8 You are signing same subject to the changes</p> <p>9 you have noted on the errata sheet, which will be</p> <p>10 attached to your deposition. It is imperative</p> <p>11 that you return the original errata sheet to the</p> <p>12 deposing attorney within thirty (30) days of</p> <p>13 receipt of the deposition transcript by you. If</p> <p>14 you fail to do so, the deposition transcript may</p> <p>15 be deemed to be accurate and may be used in court.</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>	<p>1 ACKNOWLEDGMENT OF DEPONENT</p> <p>2 I, _____, do hereby</p> <p>3 certify that I have read the foregoing pages, and</p> <p>4 that the same is a correct transcription of the</p> <p>5 answers given by me to the questions therein</p> <p>6 propounded, except for the corrections or changes</p> <p>7 in form or substance, if any, noted in the</p> <p>8 attached Errata Sheet.</p> <p>9</p> <p>10 _____</p> <p>11 BLAINE M. SNIDER DATE</p> <p>12</p> <p>13</p> <p>14 Subscribed and sworn to</p> <p>15 before me this</p> <p>16 _____ day of _____, 20____.</p> <p>17 My commission expires: _____</p> <p>18 _____</p> <p>19 Notary Public</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p>
<p>Page 519</p> <p>1 -----</p> <p>2 E R R A T A</p> <p>3 -----</p> <p>4 PAGE LINE CHANGE</p> <p>5 _____</p> <p>6 REASON: _____</p> <p>7 _____</p> <p>8 REASON: _____</p> <p>9 _____</p> <p>10 REASON: _____</p> <p>11 _____</p> <p>12 REASON: _____</p> <p>13 _____</p> <p>14 REASON: _____</p> <p>15 _____</p> <p>16 REASON: _____</p> <p>17 _____</p> <p>18 REASON: _____</p> <p>19 _____</p> <p>20 REASON: _____</p> <p>21 _____</p> <p>22 REASON: _____</p> <p>23 _____</p> <p>24 REASON: _____</p>	